

— KESSINGER'S LEGACY REPRINTS —




The Amazing Life Of John Law

The Man Behind The
Mississippi Bubble



M. Georges Oudard
G. E. C. Masse



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THE AMAZING
L I F E
of
JOHN LAW,

The Man Behind the
MISSISSIPPI BUBBLE

Translated from
“*La Très Curieuse Vie de Law*” of
M. G E O R G E S O U D A R D
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JOHN LAW OF LAURISTON

Conseiller privé du roi en tous ses conseils,

Contrôleur général des finances

Surintendant des finances

Membre de l'Académie royale des sciences,

Directeur fondateur de la première Banque de France,

et de la Compagnie des Indes,

Inventor of circular counters,

of inflation, of provincial barracks

and of various other curiosities still in use

TO THE MEMORY
OF
JOHN LAW OF LAURISTON

GENTLEMAN OF SCOTLAND
SOMETHING AN ADVENTURER
MAN OF GENIUS

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THIS BOOK IS DEDICATED
BY HIS LATEST FRIEND ON EARTH

G. O.

PART ONE

The first thing I noticed when I stepped out of the car was the smell of the sea. It was a salty, briny scent that seemed to seep into my lungs. I took a deep breath, feeling the cool air fill my chest. The sun was shining brightly, and the water was a deep, shimmering blue. I felt a sense of peace and tranquility that I had never experienced before.

I walked along the beach, feeling the sand beneath my feet. The waves were crashing against the shore, creating a rhythmic sound that was soothing to my ears. I looked out at the horizon, where the sea met the sky. It was a beautiful sight, and I felt a sense of awe and wonder.

I had heard that the beach was beautiful, but I didn't realize how much I would love it. The sand was soft and warm, and the water was just what I needed. I felt like I had found a new world, a place where I could relax and enjoy the simple pleasures of life. I had heard that the beach was a great place to visit, but I didn't realize how much I would love it. The sand was soft and warm, and the water was just what I needed. I felt like I had found a new world, a place where I could relax and enjoy the simple pleasures of life.

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CHAPTER ONE

"Your men have brought me here as if I were a common jail-bird. Will it not be possible to get them to leave me my hands free? I give you my word of honour, Sir, that I will make no attempt to break away."

The officer gave a nod of acquiescence to the request. His prisoner was a tall youth—about twenty years of age—extraordinarily handsome and well-built.

Standing facing the link-boys, the young man drew on his silver-fringed gloves. The guards had torn them. Then, quickly and gracefully, he picked up his cloak, which had fallen to the ground, and wrapped himself in it. He did this less for the purpose of protecting himself from the cold than to hide something of the splendour of his costume. A striped waistcoat, a rose-coloured silk coat richly embroidered at the edges, are well enough in a ball-room, but they are worn with uneasiness in the presence of the dead body of the person through whom one has just run one's sword.

The young man who had taken part in this foolish adventure did not move again after he had once properly adjusted his attire. He crossed his arms and with calm eyes awaited the arrival of the commissioner whom a police sergeant had gone to fetch. It was in the middle of Bloomsbury Square on the very spot where the duel had taken place.

The officer kept peering closely all round where the dead man lay, and ordered the torches to be lowered so that he could see better—for the flames of the upright torches only tended to redden the gray obscurity of the fog.

Stretched upon the ground and enveloped by the fog as if by a winding-sheet, the corpse was hideous. The dead man's wig had gone askew as he fell and thus exposed a large portion

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of the hairless skull. The make-up with which the man was wont to daub his face had now become smeared, rouge was running down his cheeks, and the powder had become damp and formed brownish little lumps down to his mouth with its now livid lips; all this tended to give the man a revolting aspect of senility. Death had turned this old man, disguised as a young man, into a grotesque clown. His elaborate gold-braided blue velvet coat looked dull in the gloom of the fog. Only the enormous buckles on his shoes still glittered.

The prisoner meanwhile followed the nervous movements of the officer—just a simple, scarred soldier—as he walked round the dead man, and once caught him looking longingly at the huge gems. He was not interested in their value; he was merely wondering where they had come from. They had been given to the owner by women. All the great courtesans in London had helped to build the fortune of this dazzling Knight of Love; and the ladies of the nobility also had to pay dear for his favours. For he had been the happy rival of the late King Charles II. The amorous successes of his youth had thus assured him an enviable old age in a luxurious house always filled with gentlemen of rank and charming young ladies. His carriages, his servants' livery, his jewels, his gambling—all won admiration. He still received love-letters written by simple young girls. The fame of men who have made a name in love lasts longer than does their accomplishment.

The officer suddenly stood up and ordered the torches lifted again. A dull rumbling was audible in the distance. At that time of night the sound could be only that of the commissioner's coach as it bumped along on the rough London cobblestones.

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As soon as the horses' hoofs struck the street in Bloomsbury Square itself, one of the link-boys got down from the coach and led the way for the commissioner. The commissioner was a little fat, red-faced man wrapped up in a fur-coat, and he had a horrible old wig which was rather short for him. He smelled strongly of gin. He had been obliged to pour himself out a full glass of this upon getting out of bed in order to keep himself awake on the journey. He was followed by a tired gaoler whose wide-gaping yawns kept screwing up his short-sighted eyes.

The magistrate and his assistant were just beginning to assume the airs which men in their positions usually assume. But when the officer had whispered the name of the victim, they interrupted everything to rush up to the corpse with avid curiosity.

They were delighted. "Yes, indeed, that is the handsome Wilson. That's Wilson, right enough. I had never got so near him before. He was not a young man. Come nearer, gaoler. Look at him. The handsome Wilson, you have heard people speak of him, haven't you?"

"Yes," answered the other with a low whistle.

"This is a pretty thing to happen," said the little red-faced man proudly. "And it will make a lot of talk in London. I'm not sorry now that they dragged me out of bed at three o'clock in the morning. And have you got the murderer?"

Here the murderer made a protest, not without a touch of haughtiness:

"I did not murder Edward Wilson. He challenged me. I defended my honour, sword in hand."

"These are matters which you will have to tell your judges.

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I am here merely to confirm the fact that a crime has been committed and to arrest the man who committed it. You do not deny having killed this man? No. Gaoler, write that down."

The lanky youth took the quill pen out of his wig and asked with a yawn:

"To-day is the . . ."

"The ninth of April, 1694," snapped the officer.

"I do know what year it is," said the gaoler.

The commissioner turned towards the guilty man. "Now give me your surname, your Christian name, state your rank, and the place and date of your birth."

"John Law of Lauriston, Scottish gentleman, born in Edinburgh, on April 21st, 1671."

"Another foreigner," growled the questioner; "just sign that," he ordered.

He himself signed a second paper and handed it to the officer.

"Take this man to the Tower," said the commissioner as he walked briskly back to his coach.

He was in a hurry to tell his wife the startling news of the night. It was the talk of the town the next morning.

The eyes of many women, in their boudoirs and unseen by husbands and lovers, were filled with tears when they heard the news, and of those eyes there were two especially which, for the last three weeks, had been for John Law the loveliest in the world. This Mrs. Lawrence was certainly not unaware of the cause of the duel. She profited from the fatuity of the old man but had a greater joy with the agreeable person of the young one.

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In the Strand, shopkeepers, standing under their heavy sign-boards, discussed the event. "I have always served Mr. Wilson. I remember, when he was young, that he often chose cloths for his coats which no one seemed to like, and then everybody went crazy about them when *he* had worn them." "That Scotsman was one of my customers: Once I sold him a fine necklace for an actress at Drury Lane. He bought ribbons from me: or rather he has owed me for them a long time."

There was a different attitude at the Exchange at the statue of Gresham where the bankers from Lombard Street were in the habit of meeting. There people were less interested in Wilson than they were in Law. "Wasn't it with him you were talking the other day? A tall handsome fellow who spoke eloquently? He had fantastic, exaggerated ideas, but you might have excused their weakness on account of his youth if he did not base them upon so much that is really sound." "Oh! these young people of to-day! As soon as they have read *Some Considerations on the Consequences of Lowering the Rate of Interest and Raising the Value of Money* by Locke, and a few of Petty's works, they think that they know everything about finance and trade." "I know him well. We were fellow-students in Edinburgh. We used to call him Jessamy John, or Beau John. His wonderful ability in algebra had made him the college celebrity. That must have turned his brain. We lived next door to each other. His father was a wealthy goldsmith. A money-changer, too. Merchants accepted his bills without any trouble. I have often heard my uncle say that William Law's signature was as good as gold."

In the houses of ill-fame in and around St. James's, in which girls from the shops, once respectable women, and even ladies

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of the Court traded their so-called virtue for guineas (in spite of the opinion on the Continent that English women are cold), the names of Wilson and Law were frequently mentioned during the course of the day. The oldest waiters took the side of Wilson, but the young men were for Law. The respective merits of the two were discussed. "Three flagons of Canary-wine!" laughed one whose razor could not efface all trace of white hairs. "You make me laugh. It was twelve flagons that the gentleman ordered to be taken up to him for the night. When I was taking him the ninth, one evening, a woman wearing a mask came to find him. She threw a purse down on the bed and said to him, 'Is that enough?' 'No, it is not,' he replied in an insolent voice. And she had to give him two more pursefuls. I have worked for your Law also and I acknowledged him to be a generous man. . . He always paid for the room with his own money. Wilson was quite a different sort of man: he never paid for it."

On the night after the duel, play was very dull at the gaming-house kept by Nicholson, a rather disreputable character, at the far end of Three Kings Court. No one spoke of anything but the duellists. The unruly set of young noblemen who graced this low haunt, where the players were sharper at play than anywhere else in London, all sang the praises of Law. "I do not know any one who keeps a cooler head at faro than he does," said one man. "He always keeps calm and his smile never betrays him. He would lose his whole fortune before losing his head."

"The rogue!" said some one.

"My lord!" rejoined Nicholson.

"You have not forgotten his promise, have you?"

"Of winning from me a hundred times as much money

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as he has lost in this house—and it is no small sum that Mr. Law has laid down—is that what you are referring to? You are wrong—for he has not kept it.”

“You must be patient.”

“Alas! I don’t expect him here again. He has nothing but the rope awaiting him now. The law is strict in the matter of duels.”

“You dodge it enough—you ought to know,” jokingly said a slim youth, with a complexion like that of a girl. “Listen to me, Nicholson,” he continued, standing up. “There are ten of us here, and at least twice as many as that elsewhere who are able to prevent the best fellow among us from being condemned to death.”

“I hope so, too, my Lord,” said the host with a grimace. “And now who cuts?”

Near Piccadilly there was a rough-looking beer-house without even a lighted globe in front of it—and it would remain in darkness, like the rest of London, until the sun should charitably light up the shops of the town. Merchants were chary about entering, but sometimes you could find there gentlemen who had been at Oxford. For instance, the half-starved Richard Lapthorne, whose business it was to write a dozen or so news-letters to send into the country each week, never stirred from his place there after dark. It was so easy to pick up bits of information, an idea, or some opinion in this old room. Writers and adventurers came there, to say nothing of bankers and such people who were well up in current politics—in short, all sorts of men it was interesting to listen to.

In front of the table at which Lapthorne sat busily scribbling, there was standing that same evening a lanky-looking

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Puritan with a hard dry eye who spent all his time in inveighing against the luxury and corruption of the time in a tone of voice worthy of a pulpit and with the gravity of a judge. Malicious tongues had said that in the time of the late King Charles II he had been a usurer in a shabby den at Rotherhite, at the expense of Thames sailors who eagerly changed their paper-bills for cash. Was he rich? Was he poor? No one knew. Although when one listened to him in this place it seemed that he had been born on this earth to guide a great nation in the way it should go, he was accused of having taken a hand in many shady affairs, for the sake of gain, in which virtue—a word which was often on his lips—was anything but dominant. After declaring to Lapthorne, to whom the slightest scrap of unpublished information concerning the duel which had taken place during the night would have been preferable, that he “would rather have the drum of his ear split than listen to a comedy by Dryden or by Congreve crammed as it was with abominable filthy details,” he seated himself at another table around which a number of men were ranged. An unusual fellow presided over this table. He wore a light-coloured wig ridiculously dragged down over his two round, gleaming eyes and nose, which was hooked like that of a bird of prey. This man was indeed quite a romantic personage. Thirteen times he had made his fortune: and thirteen times he had been ruined. He had seen service in Marlborough’s army. Since his return from travels in Spain and Portugal he had been busy preparing extravagant libels for publication. There were people who credited him with talent. His name was Defoe.

“What are you talking about?” asked the Puritan, sitting down.

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"What an absurd thing to ask!" growled out the writer. "As usual, Mr. Blunt, we are talking about the bank."

"Mr. Law will not answer any more of your questions," chuckled Blunt with a satisfied air, for he detested the Scotsman. "And that will be no loss. That fellow thinks too much as the ordinary common man thinks about things. Didn't he want Paterson's invention to be turned into a national bank?"

"He's not wrong there," said one of the others. "The bank would be directed by the King."

"That would be a great mistake," interrupted another. "The administration would have to be put in the hands of the Lord Mayor, the Alderman, and the City Council."

Blunt shrugged his narrow shoulders.

"The bank must remain under the control of business men and financiers because they alone understand anything about it."

"For my part," proclaimed an old soldier in a red uniform, "I say the bank will be an unlucky thing for England."

"However there are some notable precedents," replied Defoe. "There is Saint George's bank in Genoa, that's three hundred years old, and then there's the one at Amsterdam."

"What is good for a republic is not good for a monarchy. Have you ever heard of such a thing as a Bank of Spain, or a Bank of France?"

"You are reasoning as a coach wheel might do as it turns round and round without knowing where it travels," declared Blunt. "The world progresses. It is not possible to remain behind the times like a fool whose name is Dudley North. In his youth he was in the habit of seeing merchants put away their gold, each in his own strong box, so he re-

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fused to hand his to the goldsmiths in Lombard Street and consequently he became the laughing-stock of everybody who had any sense. There was published the other day a little book called *The Glory of England: or the Great Progress realized by the Bank and by Trade*. Law read aloud in this very room a passage from this book which appeared to have struck his youthful mind in some strange way. You remember it, Defoe? The author explains—everybody ought to have understood it long ago—that a hundred guineas deposited for use at the Exchange (for in the course of one morning a goldsmith's bills may pass through ten different hands) can do exactly what otherwise a thousand guineas laid by in ten strong boxes distributed in various parts of London would have had to do. Goldsmiths' notes are in existence to-day. Bank-notes will exist to-morrow."

"If I understand Montagu's project aright, we shall have a crushing debt," went on the old soldier.

"Do you, or do you not wish to continue the war against the King of France?" questioned Defoe, an ardent supporter of the Revolution.

"Perhaps there may be some means of raising the indispensable funds," suggested a fat old man, "without committing the nation's resources in perpetuity. Yes, it means to perpetuity, because in eleven years the Government will not pay it back: that much is certain."

"You are forgetting that those wretched French corsairs, such as Jean Bart and Tourville, have sent a number of our best trading vessels to the bottom as if they were blowing out candles. How are you to get them up again? That is what the bank will do for us."

"All the same, I would much prefer that the English

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subject should not be borne down by taxes for ever," repeated the soldier with his one idea rooted in his mind.

"And what if I answered that I did prefer to have it so?" burst out Defoe, tossing off his silver tankard of beer. "Henceforth, each land-owner will be interested in maintaining the reigning dynasty. By this means the free people, who have sent away the Stuarts, will strengthen William III's position on the throne. If James returned on the very vessels owned by the monster Louis XIV, he would at once hasten to wipe the slate clean and our people would be absolutely ruined. There is not a more thrifty people than ours. Thanks to the bank, the Revolution runs no risk of being thwarted."

"Hurrah!" shouted Blunt. "A new world is to be born and it will be one in which money shall be paramount; our trading vessels shall increase in number; our merchandise shall be distributed abroad; and Their Gracious Majesties shall hold sway in the most distant parts of the universe. The Whigs already have something of the upper hand over the Tories—all of them more or less Jacobins. All honour to Sunderland, an intelligent renegade, and may God forgive him his jibes at the expense of the Jesuits. I drink to the death of Louis XIV and to the glory of King William and Queen Mary. May virtue flourish once more throughout this land! And it will flourish if every man will but heed the Bible and carry out its precepts in the bosom of his family . . . England shall dominate the whole world. An epoch unrivalled in the past shall now be unfolded before our eyes. May the Lord . . ."

Blunt was brought to a sudden stop in his preaching. A youth, who looked as if he might be a bright-witted servant,

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had come up to the speaker to ask him which was Mr. Defoe. Blunt pointed to him with his finger.

"I have come on behalf of my master, Mr. Law, who has been in prison since last night," said the valet. "He would be glad to learn from you the address of a lawyer of your acquaintance who was secretary to . . . to . . . There, I have forgotten his name."

"Somerset. I know the man he means. But I don't know where his house is. I can easily find that out and send him to Mr. Law. How did it happen that your master, who is so very active, did not escape?"

"The police patrol seized him the very moment when he was plunging his sword into Mr. Wilson."

"That will teach him not to be attentive to the ladies—for not one among them is worth more than they get in the disreputable houses in Whitehall. Tell him that with my compliments."

"How am I to get hold of that devil of a lawyer?" Defoe wondered to himself as soon as the valet had gone.

It matters not at all how he managed to find him. But on the following morning a man wearing a long cloak descended from a coach by the Tower. On being taken to the Governor of the prison, he requested that he might be led at once to a man called Law.

The Scotsman was lying on a wretched bed which was now covered by a fine quilt. This bed-covering, together with suitable clothes and a little Flemish painting of which he was very fond, had been brought to him from his lodging. He was pale and worn, for the roaring of the lions and other animals in the menagerie close by, added to the fear of being hanged, had kept him awake all night. He hastily put on

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his best full-bottomed wig, tinted his cheeks with a little rouge, brushed the snuff from his lace frills, and called up a forced smile. Having become his handsome self again, he stood awaiting the lawyer, and ready to bow. When the lawyer entered the cell he was at once struck with admiration for the beautiful face and elegant figure before him. The mere presence of such a fine cavalier was enough to transform that miserable cell into a boudoir. Law was all politeness. When the lawyer was seated, Law sat down on the edge of the bed, his toes twitching in the tips of his shoes. His formidable calmness did not tally exactly with the quick throbbing of his heart, but when he was questioned upon the cause of the duel, he explained the matter in the clearest possible manner.

A lady, whose name he would not mention, had been kindly disposed towards him for some time. She was an incorrigible flirt and had played him against Mr. Wilson, who, like a great many elderly men in love with a young girl, experienced at one and the same time the feelings of an impossible lover and an imaginary father. His own great mistake had been to make fun of the old beau's absurd weakness in letters, wicked enough in all conscience, which he had written to the lady. Still worse, the lady had replied to them in the same style.

Mr. Wilson, having intercepted this correspondence in which he himself cut a very poor figure, had become very angry and in his turn he had written each of the two young people an offensive letter. Law had determined that the letter he received should not remain unanswered. Mr. Wilson had demanded reparation. Mr. Law had, of course, consented. So according to arrangements made beforehand, he had gone the

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other night to the Fountain Tavern in the Strand, directly he had left the Countess of Westmorland's ball. Mr. Wilson, accompanied by Captain Wightman—a man of good standing—was also at the Fountain Tavern. Insults were exchanged in public. They then left the tavern. Mr. Wilson had gone off in his own coach with the captain. Mr. Law had got into the hired coach which was waiting for him outside. When they reached Bloomsbury the coaches quickly disappeared out of sight, as did also the captain. The rest of the story was known already.

"We shall deny premeditation," said the lawyer, "and we shall arrange the phases of the duel to suit ourselves with the one object of baffling the law whenever we can seize the chance. As morality is so very much the fashion at the present day I shall make the most I can of the not too reputable life led by the old beau. I think that your own is a bit better," he added with a smile.

"I have never accepted presents from women," said Law. Then, as his eye happened to glance at a very valuable diamond ring on a finger of his left hand, he added, "at least not a present of money."

"Tell me about yourself and your family," said the lawyer. "You were born in Edinburgh: your father was a goldsmith: he was fairly successful as a money-changer. And then you came to London. That was three or four years ago?"

"Three years ago. My father's name was William," began the young man, now speaking more slowly. "Our family is very illustrious and very ancient. Before 1260, while Alexander III was king of Scotland, a Law of Lawbridge was already the possessor of great wealth. In 1398 Robert III gave the estates of Bogness, lower Luckwood, Glassgreen, and Kingousi

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to my ancestor Robert Law of Bogness, who was the second son of Robert Law of Lawbridge. James Law, Lord Brunton, who was archbishop of Glasgow in 1615 was connected with my family. For seventy years our coat of arms has been ermine a bend gules with two cocks of the second and for the crest the head of a unicorn natural with this motto: *Nec obscura nec ima*. In 1683 my father bought the estates of Lauriston and Randleston from Margaret Dalgleish and took the title of Law of Lauriston to which I am now entitled since his death which took place on September 25, 1684. My mother, Jane Campbell, is descended from one of the branches of the ducal family of Argyll. I am therefore of good family and I have the right to be astonished that in the police report my name does not appear in full and that my designation *gentleman* is omitted."

"It is the general rule for officers of the law here to be very cautious, perhaps too cautious, in matters concerning titles of the foreign nobility," remarked the lawyer.

"My parents," continued Law, "had eleven children, two of whom died young. I am the eldest son, but two of my sisters, both married, are older than I. My father was a man of good understanding and a very good husband. He was too obstinate, however; if he had lived we should not have got on very well together. I was not quite fourteen years old at the time of his death and I had already gone against his wishes. He wanted me to carry on the business after him. The prospect of spending my days behind a money-changer's desk in a dull place like Edinburgh did not please me. As you are asking for a full confession, I will not hide the fact from you that at school I was a remarkable pupil. The progress I made in literary studies was fairly good; but in arithmetic

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and in algebra I showed abilities above my age. I used to solve all the most difficult problems easily and quickly. One of my masters, he was certainly rather an eccentric fellow, advised my father to have my head opened, if I died young, to see what was inside it. The truth was very simple. My mind took readily to such subjects and worked out problems with enjoyment. I did not neglect bodily exercise. I was then, as I still am, as good a fives player as I am a mathematician. When my father died my mother carried on the business just as well as he had done. She is strong-minded and possesses qualities of a high order. She let me study in accordance with my own wishes and her family connexions gave me the entry into the best circles of society, where I think I may say that I had some success. I devoured the works of old Thomas Mun, and very much admired Locke. All that reading just suited me. But I was getting tired of Edinburgh. I was then twenty and filled with a dauntless curiosity. I started off for London with letters of exchange which represented the whole amount of the money I had inherited from my father. Eight months later there was nothing left for me to do but to sell Lauriston in order to pay my debts. In February, 1692, I wrote to this effect to my mother, who hastened from Edinburgh to pay off what I owed, which was a good deal. By this means she spared me the loss of my title of law of Lauriston and from being imprisoned as a debtor. I never suspected that the Tower would, two years later on, give me still more cruel hospitality. You want to know how I was ruined? Why, by living in great style, playing high, squandering money on women, and lending to my friends."

"As far as women are concerned, your looks ought to have been a safeguard," observed the lawyer.

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"They never required anything of me," replied Law, "but it gives me the greatest satisfaction to witness the joy they experience when they are showered with presents."

"Since then you have, I suppose, been a little more discreet in the matter of making presents?"

"On the contrary. By the time my mother had got half-way back to Scotland there was but very little left in my purse of the money she had given to me."

"Then what have you been living on since?"

"I have lived by gambling."

"Are you clever at cheating? This is not said as a reproach."

"Your question does not hurt my feeling in the least. The best men cheat. But that is owing to ignorance. They speak of chance, and in the belief that there is any such thing they act according to that belief. Chance is a myth. In gambling everything turns upon calculations. To start with it is quite enough if one has a certain combination of cards. The great mistake which players make is that they do not calculate long enough. A moment always comes when they lose their heads. As for myself, I can keep cool from beginning to end in any game. I leave everything else to my natural taste for figures. Don't be frightened—I lost a tremendous lot while I was learning this. That tavern of Nicholson's is an expensive school—but very profitable. If only those judges acquit me, I am going to get the better of that fellow."

"And at the same time you make me wish doubly to save your life, for I should much enjoy looking on at such a game."

The lawyer was astonished to hear himself speak in that fashion. At the first words that Law had mentioned concern-

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ing cards a slightly ironic smile had hovered about his pale lips. Just as any other man of good sense, he knew that it was as impossible to make certain of winning at cards as it was to foresee the future correctly. At least, hitherto he had thought so, but for the last five minutes the Scotsman's tone of sincere conviction had altered his ideas completely. Law used only the very simplest words in speaking, but he pronounced them in such a rich, harmonious, and measured tone, and with an air of such good faith all the time, that his spontaneous eloquence was altogether persuasive. Indeed the lawyer was so won over to the belief that this handsome young man really possessed genius as a gambler that he had all but asked him to have a game of faro with him then and there, when he realised that he was wearing his robes.

"Are you going to keep a secret like that to yourself forever?" he said. "The secret of such a surprising science."

"I would have spread it abroad," answered Law with a touch of his former naïveté, "if I were not risking, in so doing, the loss for myself of a power so much to my own taste, by making all players equally invincible."

"And have you never been tempted to bring your wonderful knowledge to bear in some less futile direction?"

"There are two modes of leading one's life," declared the young man, now speaking very seriously. "The first is by allowing oneself to be stunted in a manner which will fit one into a definite niche. The second leaves a man's special gifts to develop in freedom, and at the same time holds out to him sufficient hope that circumstances will sooner or later find him scope. At the present time we are making our way gropingly into a new world. I should much like a prominent place in it. But first of all I must determine exactly what it

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shall be. To many people the way in which I spend my time appears irregular. But they must let me have a chance of looking at things squarely. I have already solved the problem of gambling. Then there is the problem of love: that and a few other little matters have to be discovered by degrees. Mathematics is a key which can open any door."

"Have you found a solution to the problem of love?" asked the lawyer.

"I certainly know more about cards than I do about women," said Law laughing.

"Do you want me to tell you what you are?" exclaimed the lawyer. "You are Don Juan, but a Don Juan who is no way mixed up with women. Don Juan wished to take with him to the other world one secret only; but you, why, you want to snatch at several before you depart."

"Then it would be well if the hangman's rope were not to cut short so fine a destiny," said Law jokingly, and for the moment he seemed to have suddenly lost his vanity. "My friends have told me that they will see all the jurymen and that they will not be stingy in the matter of bribes. Do you approve of that?"

"That is the usual thing to do. But you must not forget the judges."

"My friends will not forget them either."

As soon as he had driven away from the Tower, the lawyer, in the depth of his coach, recovered his ordinary senses.

"This man is a perfect fraud, a fool, or a genius. A fine brain and a handsome face."

Law, in his cell, had taken off his wig and was laying out the cards, which he had just taken from his pocket, on his miserable little bed.

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On the 17th of April the prisoner was removed to the Old Bailey. On the same day his counsel came to instruct him in his defence. He did not hide from him that the threats contained in the letters of which he had full knowledge were most serious and might very likely place him in an untenable position. After he had said all this he added less severely that his title would be used in all the official documents.

Law was taken to the law court on the following day. The case was a long one and dragged on for three days. A certain Smith, man-servant to Mr. Wilson, was the first to take the oath. He swore that his master had drunk a pint of beer an hour before the fatal meeting and had mentioned the name Law. Captain Wightman and the brother of the deceased were the next to make their depositions. All the noblemen who frequented Nicholson's vouched in turn for the accused man and asserted that he was not of a quarrelsome character.

In his own defense Law stated that his relations with Mr. Wilson had never been otherwise than good until they met at the Fountain Tavern: that the meeting in Bloomsbury had been entirely accidental, that Mr. Wilson was the first to draw his sword, and that he, Law, had remained on the defensive. The unfortunate thing was that he, without any premeditated intention of evil, had been suddenly seized by a fit of anger.

The case was concluded. The jury was informed that the Court had decided that Mr. Law and Mr. Wilson had agreed to fight, that Mr. Wilson drew his sword first, but that Mr. Law had killed him, and that consequently, according to the law, he was found guilty of murder. It was also stated that if two men have a sudden quarrel and one of them kills the other, it is unpremeditated manslaughter; but in the present

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case it was different on account of the perpetual disagreement which existed between the two gentlemen, and which they must not overlook, and that the intention to cause death was in the mind of the one who killed the other.

Having seriously considered the finding of the Court, the jury gave a similar verdict: Mr. Law was guilty of murder.

On April the 20th the prisoner was taken to hear his death sentence. The thunderbolt fell heavily on the head of the young man who was asked if he had anything to say in his own favour to prevent the execution of the sentence.

In reply the young man could only say in a very weak voice that he begged for mercy.

When he was taken back to prison he bribed the gaoler not to put him in the dungeon among the other condemned men, and several nobles who wanted to see him were allowed to come in. They were all greatly offended that the jury should have quite ignored their preliminary visits. Later on a minister of religion was brought in to give some comfort—which indeed he much needed. As soon as he was alone again he very patiently wrote one long letter, sent for his servant and told him to take it to the address written on it and urged him at the same time to keep it secret. Thereupon the youth in fear and trembling stammered that he would never dare present himself to such a great lady. The lady referred to was no less than one of the royal princesses who had, however, loved the young man and had given him as a token of remembrance the handsome diamond which he wore on the third finger of his right hand. He now implored her to intercede for him with Their Majesties that his life might be spared.

“You will not see her, you coward! All you have to do is to ask to see Betty—one of the maids.”

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After the elapse of some days, during which his spirits had sunk to the lowest depths, the condemned man received a pardon from the King and he immediately returned to his lodging in St. James's, where he was joined a few hours later by his friends who intended to give a magnificent entertainment in his honour.

For some few weeks Law had resumed his ordinary mode of life, but he felt less easy in his mind than he had before. For instance this evening he was almost in a bad temper—which was an unusual thing for him. The post had brought him a letter from his mother in which, while she rejoiced that he had been pardoned, she, at the same time, blamed him for having put himself in a position to deserve it. Without appearing to draw any comparisons, but not without some intention of doing so, she spoke in words full of praise concerning his younger brother, Andrew, who had recently set up as a goldsmith in Edinburgh, and whose betrothal with the daughter of John Melville would very soon be celebrated: "You will remember Melville," she reminded him, "he was present when you were born." The marriage was fixed to take place in the following January and they wanted him to be there. "Are you not going to get married too?" inquired Jane Law.

He had no wish to do so. Women, as well as a great number of other things, had suddenly begun to weary him to a terrible degree. He no longer saw Mrs. Lawrence, and now considered her a commonplace, self-seeking woman, who but poorly aped the courtesan and who owed him the fine gold watch she wore strutting about in London. He still visited the *bagnios*, but with little eagerness, for he had been deeply

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hurt that his later note to the mysterious princess, in which his passionate sentiments and his gratitude had struggled for a foremost place, had received in answer nothing but one short phrase: "May God protect you, my friend." Blunt would not have said it better. If wit had been one of the great lady's characteristics, such an answer to a resolute lover might not have been found quite free of irony. Everything weighed down John's spirit—balls, plays, comedies and marionettes; cock-fighting and everything else. In every man he saw strolling in the Park or in the neighbourhood of St. James's, he saw a walking corpse.

These Englishmen around him were sad because they worshipped golden guineas and high position too much. When his anger cooled he could recognise their merits. And as a good reader of Thomas Mun he realised that there were not in London, as there were in Scotland, professions despising shop-keepers without considering that all business which increases public wealth is glorious. In short, he had a keen longing to hold his own in the world, as others did, and to give up a manner of living, which, as he grew older, would mark him an adventurer. A project had formed itself in his mind: he would offer his services to Paterson in the bank which it had been decided to start. He was aware that a long room was to be reserved for it at Grocers' Hall, in the Poultry, and that it would employ about twenty men. He did not blush to count himself a clerk. He was seized by an urgent need for action. And then a man must learn before he can think of being a master.

In seeking a career for himself, he had lately felt called upon to enlighten the public by means of books containing his own original ideas in addition to reflexions inspired in

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his mind by the works of others on trade and finance. But this kind of work was not altogether to his liking. It attracted him rather as a proof of the excellence in realization, than as a test of his ideas. That is what he so much appreciated in gambling. The precise exactitude of a combination in the cards appeared to its author in one movement of the hand. His was not speculation to charm his reasoning powers, but for the purpose of acquiring the power to cope, with a certain hand, with destiny. In approaching all women, it was no matter of concern to him as to which he might really love, but simply he aimed at gaining upon a husband or a lover, as the case might be. If he chose only those women who were beautiful, it was only because a gambler of his standing was not in the habit of playing for small stakes.

"I shall go and see Paterson to-morrow," said the young man decidedly. "He is my fellow-countryman. He will receive me. It will be a good chance to give him some pieces of advice. Shall I, or shall I not, be taken into the bank?"

With a smile at his own parody on Shakespeare's words he flung down two cards. "Red," he thought to himself. The ace of clubs and the knave of hearts appeared. Slightly shrugging his shoulders he asked for his sword and his hat and betook himself to the tavern in Piccadilly.

"Another new coat!" growled out Blunt as soon as he saw him. "So you are not improving your habits? After what has happened to you, any one would expect you to be affected in some way by the mercy of God!"

There was no time for him to answer before a stranger suddenly accosted him.

"My lord, I want something to drink," said the unknown, whose nose plainly showed that he had not long been in such

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need, and who wore a filthy coat with shabby embroidery and ragged lace.

Imitating the speech of an idiot, he gave this account of himself:

"I am Gwynn, a son of Nell Gwynn. My mother who, at one time sold fish and oranges, was later an actress: then she was the mistress of the late King Charles, and then the mistress of Mr. Wilson as a matter of course. The *late* Mr. Wilson—thanks to you. To my knowledge I have had three fathers to say nothing of those whose names my mother has forgotten."

"Silence him somehow or other," said Blunt, stopping his ears with his hands.

"Ten guineas would not come amiss to me," continued Gwynn without listening to Blunt's protestations. "Otherwise I may miss my dinner with Duke Humphrey—as the saying goes."

"Well, here are twenty: but you must take yourself off at once," commanded Law.

"Twenty guineas for such a wretched scamp!" said Blunt with a sigh. "You seem to be as scandalously generous as those financiers who have been making money out of the war."

"There are not enough Jewish bankers in London to teach people better."

"Your reply holds good only since good King William has governed the country. As a matter of fact there used to be good number over here who had come from Spain. There were some who taught the Dutch method of creating artificial wealth."

"Obstacles have always made them work the harder and

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it is no easy matter to do anything of importance in finance without them, or against them. I would prefer them to this Paterson whom you wish to help, if I have rightly understood all you have been whispering to Defoe. The Scotch are excessively shrewd, but, if I may say so, they lack trickery. They are good at forming projects, but they carry them out badly—or, if you prefer it, they are idle in putting their projects into practice.”

“Here’s the fellow who saved your head,” said Defoe, without thinking, as he saw the lawyer enter the room.

“Long live Queen Mary and King William,” shouted Blunt, who was capable of any form of mischief and quite capable of wit.

“Well, and what about that famous game at Nicholson’s?” asked Somerset’s former secretary when the greetings were at an end.

“Upon my word! I never thought anything more about it,” cried Law in astonishment. “Shall we all go there now together?”

“Will you let me follow you?” asked Lapthorne, coming out of the corner of the room in which he had been sitting.

“If you like,” answered Law, smiling. “An account of the exploit will fill up one of your news letters. I invite you both,” he added, turning to the two friends.

“I do not frequent these dens of perdition,” said Blunt in refusal.

“I prefer to discuss the matter with this queer fellow,” said the writer.

The others were welcomed with cheers from a number of young men the moment they got inside the house in Three Kings Court. Nicholson was enthusiastic and quite ready

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to answer the Scotsman when asked whether he had the wherewithal to back any bills he might have to sign.

"My strong box is full enough to pay you in cash, and perhaps too full to take all the money I am going to win from you."

Law said nothing to this, but sat down. He had already won a fair amount and every one was saying that the game being played would count as one of the most extraordinary that had ever been played in London, when a man broke in upon the murmurs of admiration and said in a clear voice:

"Mr. Law is a true magician: his power is something more than a power over cards. Little as it may appear to be a fact at this moment—he can make a living man die and bring a dead man to life."

Pushing back his chair with his foot, Law stood up, his face white. He had just recognised the brother of Wilson, who had given evidence against him at the trial.

"Do not be uneasy. I will leave you. You had a good man to defend you, but you lost the case. I shall engage one who is still better and who will throw you into prison again."

It was not long before these threats took shape.

On a clear and mildly warm day of early summer Law, in the late afternoon, was coming back to St. James's, feeling both cheerful and at the same time, cross. His discussion with Paterson had been unsuccessful, but so absurdly unsuccessful that the best thing to do was to laugh at it.

At the very first hint of criticism Paterson, fool that he was, had become angry. The wonderful scheme had been bandied about now for so long, from one office to another in London, that it could not help getting on his brain a little.

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And now at this very moment when the Act was on the point of being passed upon a vote obtained with some difficulty in Parliament, here was this young libertine, an irresponsible busybody, coming, under the pretext that he was a Scotsman—a fine excuse, indeed—with a handsome wig, and his finger-nails tinted, yes actually having the audacious intention of giving him advice. What impudence! That sort of thing had to be put right. Paterson did not mince matters in the least.

Leaning over the papers which were lying on his table and waving his arms before him, Paterson hurriedly described his marvellous travels, his stay in India, the years he had spent in Amsterdam where his shrewd eyes had been able to learn the secret of the bank.

"I should have seen just as much if I had gone to Holland," said Law in a sarcastic tone. "I will call to see you in a year's time and you will be sorry that you have not listened to me earlier."

"During the next year you may please yourself. At this present moment all you have to do is to get out of this office. The door is behind you."

"What a fool the poor fellow is," murmured Law to himself a little later when, seated in his chair, he was wending his way in and out among the numbers of pedestrians in the crowded streets. "The goldsmiths—I know them well, my father was one of them—will play off some tricks on him and very likely bring him to ruin. And it is *he* who is in the right! If only he had listened to me . . . But, oh! dear, no!"

His spirits, however, were so raised by the lovely and beautiful morning that he seized his sword and, holding it as if it were a guitar, "plunked" it in defiance of Paterson and

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his fury. Suddenly he stopped short. What was that waiting for him?

Two soldiers with a coach in readiness were waiting in front of the door of his lodgings and he was seized the very moment he put foot on the ground. Wilson's brother had appealed against the former judgment, and now he had to be taken back to prison until his trial before the Court of King's Bench.

Law could not grow accustomed to the gloomy place, and as his stay in prison seemed bound to be endless, he decided once more to remind the Princess, who had been so fond of him, of his existence.

"She said, when I wrote the first time, 'May God protect you.' And if she is not confusing the Marshal of the Court of King's Bench with God in her mind, she is bound to help towards the realisation of her own blessing."

When the letter had been sent off, Law waited patiently for his pardon. Since last April he had believed in his lucky star, even though it was subject to occasional eclipse. The weeks went by and no pardon arrived. But one night at the beginning of January the key turned in the lock of his cell and a candle shone in the darkness. He jumped up, but, thinking that he saw the gallows in front of him, he recoiled on his miserable bed and clutched at his throat as if to protect himself.

"Put on your clothes," said the man, an official of some kind. "And be as quiet as possible, above everything."

"What's to happen to me?" questioned Law.

"Sh . . . Sh . . ."

The Scotsman dressed without loss of time, and waited breathless.

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"Now follow me," whispered the stranger.

The prisoner followed him, groping along the passages. They went across a silent courtyard, threaded their way down a subterranean corridor, went up one staircase and down another, now they turned to the right, then to the left, and finally went straight on. There were to be seen a dozen or more bluish holes arranged in the shape of a triangle, and the official pushed open with his knee this door which had not been fastened. They found themselves walking through snow in a fog. Law did not know in what direction he was being led and his companion would not open his mouth. For some time they made their way in the darkness until they reached the Thames, by the side of which they walked slowly. The official knew exactly where he was. All at once he gave a whistle. There was another whistle in reply which came from the water, and the two men went in its direction. A rowboat came up to them and they got in. Dawn was beginning to break. The boatman pointed out a ship—quite black in the fog—and made for her. A rope ladder was hanging down her side.

"Come along," said the official.

The prisoner obeyed. When they were on board he was led to the large cabin, which was empty. The man who had brought him thus far drew the candle from his pocket, lit it, and then the two sat down face to face to wait for the captain.

Law had not the strength to ask any questions. Now and then he thought he was in a dream. At last the soldier condescended to speak.

"You have escaped, thanks to your own exertions," he was told. "In your cabin you will find a hammock, a sea

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chest containing clothes, and five hundred guineas in a secret drawer. This vessel will sail within twenty-four hours. It will take you to Amsterdam. When you arrive in port the captain will hand you a letter addressed to the English Resident in Holland to whom you must report. Your passage has been paid. You will have, as your only companion, a Dutch banker. You can keep your own name, but do not make any sort of show—keep as much out of notice as you can. You will take your meals with the captain as in the ordinary course of events. Neither the ship's master nor the captain knows where you come from. I am a relation of yours. Sh . . . He's coming. Just one last word: Her Majesty Queen Mary died on the 28th of December. I am mentioning this in case any one should speak of that event."

A little man came up to them. He had treacherous looking eyes and a large red nose which reminded one somewhat of a tomato, and his hat was pulled right down over his brow. His teeth were blackened and could be seen through his scanty beard. But in spite of his not too attractive appearance his welcome was amiable enough:

"The ship has been thoroughly overhauled. If the wind is in our favour we shall start to-morrow. I understand from your cousin that you have been a little while in London and want to go to Amsterdam on business. You haven't got any luggage?"

"He has only the chest which I brought yesterday. Here is the letter I spoke to you about and which you will give him when you reach port. It will be safer down in your own private cabin."

It was on the following day, in the large cabin, that Law made the acquaintance of his fellow-traveller. Merkus, clad

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in a long substantial brown cloth cloak, was very stout indeed and had a florid fat face. Even when he was standing up, his stomach was so weighty that he easily appeared to be still seated. He was continually blinking. When he laughed, he laughed long. When he spoke at all, he said very little.

From the hurrying to and fro above their heads they judged that the time for their departure had arrived. Together they went up on deck. As soon as they reached the open sea they were so much tossed about that they went back to the cabin.

They were together a great deal during the voyage. Sometimes the captain had them in his own cabin.

The captain was a great talker. When he was not on the lookout in perpetual fear of a pirate vessel with its red flag bearing upon it the familiar emblem of an arm extended and grasping a blue sword, on one side, and the inevitable skull and cross-bones on the other, he liked nothing better than to tell his two companions stories of his ship. He began by telling them that a well-built ship must, as far as possible, resemble the shape of a mackerel, which was, apparently, the fish which had the greatest ease in swimming.

He was a good fellow. In addition to loving his ship, he honoured God, and hated the King of France. He once said gloomily:

"If by chance I were to meet Louis XIV and he asked me to smoke a pipe with him, I should refuse—without saying a single word. He does not understand English and I do not speak to deaf people. That is what I say, I, Captain Clinch—the first man on board this ship, after God."

He was not averse to relating tales of his travels, either. He had crossed every sea there was to be crossed, he had put into every port, and he had visited distant countries, to say

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nothing of a great many more which were certainly not to be found on any of the maps.

"In that country," he would say, speaking in a particular tone which was understood to forbid any one from asking its name, "the streets are paved with pure gold and elephants are used instead of horses. Any one may go out in the morning into the fields, and just dig a depth of two feet—and gold runs out."

"Is it liquid?" asked Law quite seriously.

"No. Solid. And from the other side of the road . . ."

"So there are roads there, too," said Merkus in astonishment.

"No, there are no roads: but there is space where they could be made. Well, from the other side of the road you may do just the same thing and you obtain gems or silver. That depends upon whether you are looking at the sun or not. As for women!"

"As for women!" repeated Law, pretending to be interested.

The captain continued, saying that the women in that country would make many men alter their opinions. "That is what I, Captain Clinch, say."

These stories amused Law so much that he wrote them down when he returned to his cabin.

Towards the middle of the second fortnight of January, land was sighted, and Law lingered on deck the better to see it.

"I am going to show you the *camel* when we reach Amsterdam. It is what they use to hoist ships up on when repairs are needed. It is unique."

Law scarcely listened. He saw in his mind the Castle of Lauriston which his father had bought for him, and where

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preparations were now being made for Andrew's wedding. He, John, had begun the year in prison: where would he be at the end of it? What did that mysterious letter which the Captain would very soon give him contain? He did not know how to answer Merkus when he asked him if he were going to stay long in Amsterdam. At all events the banker, charmed by Law's face and manners, wished to give him hospitality in his own home.

The ship made slow progress up the canal in and out between the masses of ice, while in the distance a large sombre-looking city began to appear.

CHAPTER TWO

For some little time after his first arrival in Amsterdam Law felt that as a matter of fact he had merely changed one prison for another.

As soon as he had landed Law went straight to the English Resident who, in exchange for the letter placed in the Captain's hands in London, instructed him exactly how to behave in Holland.

The young man was asked, and the request was made in a manner which made it impossible for him to decline, to accept a place as a clerk at the Residency, and, at the same time, to keep clear of all public gaming-houses and avoid all idlers' society. This last injunction was of very slight importance—for fops, idlers, and loafers were as rare in Holland as were poor people.

In order to strengthen him in the good resolutions which had been forced upon him he was given *The London Gazette* for January 7, in which announcement the Governor of the King's Bench Prison advertised the flight of the prisoner and promised a reward of fifty pounds to any one who would bring him back. Did he expect to pay this? In any case, the personal description was no longer a true portrait of Law, who had grown older within the last two years, and was described as a captain. Even if this title was not taken literally in England, it did nothing to make discovery easier.

Therefore what he heard in the newspaper did not greatly disturb the culprit, who merely said gaily:

"If only this clumsy announcement does not bring about loss of liberty to that excellent Captain James Law—commander, when I was a little boy, of the *Hopeful Mary* of Leith, in which my father and his friend Erskine often journeyed to London . . ."

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Such an easy-going way of taking the matter annoyed the Resident, who was inclined to curse the bad luck which gave him the responsibility of watching such a queer, handsome fellow. As for Law, he was turning over in his mind what kind of existence he would have to lead in this place—surely it would be of the less agreeable sort considering that his fortune was limited to five hundred guineas.

Amsterdam from the very first was not to his liking: it seemed coarse. Its twenty-six wind-mills, each with a red roof and a wooden balcony which looked like a bottomless basket, had not amused his curiosity. He yawned under the magnificent trees near the Muyden Gate. If they could have understood what he said to them he would have insulted the Herring Tower and the Tower of Tears. Everything in the town gave out an atmosphere of honesty, wisdom, and boredom. The comedies played at the Keyzersgragt seemed to him to be the most depressing performances in the world. When visiting the Old Church, if he condescended to raise his eyes to its imposing copper dome, he stopped longer looking at a gravedigger taking earth out of a square hole in the paved floor, who whistled for his dog which had gone half way up the choir. This sight was in keeping with his own gloom. Oude Zids Herren, where pictures were sold, pleased him very much and he decided to visit it again. He examined with greater care than it really deserved the porch of the famous school, which he had heard so highly praised, as well as the two facades belonging to houses of correction for men and for women, where the difficult task of reconciling thieves and immoral women with industry was carried on.

But it was at the Residency that Law experienced his first great feeling of true delight in Holland. It was when, for

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the first time, he held between his trembling fingers paper money issued by the bank, the celebrated Bank of Amsterdam. On the back was written the usual bank formula: "Kindly place this sum to the credit of my account at the bank. Amsterdam February 4, 1695."

He went and gazed with admiration at the Town Hall where the bank was for the time being situated.

"Paterson has got hold of the secret. . . So shall I," said Law with determination.

The time had arrived for him to adapt his abilities to circumstances. In two senses he was an exile: from the country in which he had chosen to live, and from the kind of life which suited him. He spent his dull hours of leisure in the strenuous attempt to grasp just what was the basis of the immense commercial and financial prosperity which was spreading over the whole of Holland. He, as a start, devoted himself to a study of the language and then he began to take notes.

The bank had been founded for eighty-six years. Nothing concerning the management of its accounts had been altered. Strictly speaking it was a savings-bank for merchants who were all obliged to put their money in it, and, thanks to various ingenious arrangements as well as to the payment of interest, to leave it there. Bills of exchange and sale worth more than three hundred florins could only in fact be paid at Amsterdam in bank silver, that is to say, by means of a simple transfer from the creditor's account to the debtor's account.

This method of working completely baffled Law, who had hitherto known nothing of it. The Scotsman saw how in

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the course of about a quarter of an hour a merchant could make or receive payments of four or five thousand florins without speaking a word to anybody or going out of doors. So he noted this, his first discovery, on a piece of paper as follows: "In the matter of making payments, the Dutch are far ahead of the English so far as convenience is concerned; they do not hold back bank-notes and do not forward the former in exchange for the latter; they have printed orders which they fill up and by means of which they assign to the bank the sums of money to be paid in and in the same way payments may be received."

There was more that Law wanted to know. So he loitered about on the Square of the Dam where the Bourse was. That spot was very much frequented by men who gathered around the private cashiers of the bank. Owing to the fact that the bank had no facilities for opening cash accounts, these private cashiers placed cash at the disposal either of the merchants in their transactions with the bank or of the bank to help it in meeting its clients' requirements. They were constantly handling paper money, ducats, rixdollars, and, in fact, any current coin. Law, who listened very carefully to all that went on, heard one word coming up time after time in conversation. It was the word *agio*. That is, the bank did not receive coin at its face value as current cash.

"The Bank takes it only at a lower price, a reduction," some one explained to him. "What we may call 50 outside the Bank appears as 48 in the record of the transaction. This difference is called the *agio*."

When Law had learnt that the bank would also accept gold or silver nuggets and give acknowledgments for them; and that these acknowledgments or receipts were objects of

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trade just as were the receipts given by the bank for Mexican piastres—bearing a clear statement concerning the quality of the metal—he knew as much about the whole business as did any competent person.

He had a great admiration for the bank which had succeeded in obtaining control over most of the money in the country, though no one felt himself any the poorer for having left his wealth in its hands. It was not long before he was faced, as many men had been faced before him, by the question to which no one had found the answer. Did the bank actually hold, in accordance with the long and firmly held belief, the money placed in its hands; was there solid gold and silver locked away in its treasure-store, the equivalent of the paper money circulated by the bank? Or did the bank use its funds and the ten florins paid as a fee by each merchant, upon starting an account, profitably outside in other directions?

On the uncertainty upon this one point, which had never been altogether cleared up, rested the only remaining, but very profound secret of the bank. Law made up his mind to exert to the utmost his ingenuity and natural charm of manner in order to discover it.

In this matter the Resident could be of no possible use to him, for the young man already knew more about it than he. Law now wished to get in touch again with Merkus. He was not simple enough to suppose that Merkus was in possession of the secret but he rightly thought that in his company he might be led into conversations capable of guiding him in his researches.

One Sunday when, from sheer idleness, he had gone to

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watch the skating on the Amstel and was depressed at the sight of the heavy gaiety of the toppers in the tents erected on the ice, he caught sight of a man whose robust figure stood out from the others. Merkus was walking, in silence, at the side of a blue sledge occupied by a tall, stout lady wrapped in furs. As soon as he saw the Scotsman, the banker exhibited his overwhelming joy without saying more than two words: "Mr. Law." The recollection of Captain Clinch's city with its streets paved with gold prolonged for quite ten minutes their pleasure at the meeting in which Mme. Merkus shared by smiling. The huge Dutchman did not leave his fellow-traveller without fixing upon a day when he would entertain him at his own home.

Surrounded with brightly polished furniture, gleaming copper pans, and a number of curiosities from India, and facing a large, decorated stove, Mme. Merkus was seated in her own place and delighted to see him. She had large breasts, beautiful arms, which looked as if they might easily burst her sleeves, and the superb mild eyes of a cow. Her cheeks were ruddy and high-coloured.

John, whose heart had had a little repose from his London adventures since he came to Amsterdam, would have felt that he was losing prestige if he had not at once attacked the lady with a bold glance which he made the more expressive by means of the caressing qualities in his charming voice. The lady, who was placidity itself, never faltered. Law was astounded. The astonished fellow had read nothing of Saint-Evremond: otherwise he would have known that if some Dutch girls are very easy of approach after they are married, there are just as many Lucretias. Madame Merkus was fol-

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lowing the laws of the country. Law did not understand it at all. Refusing to be defeated, he then returned to the attack. He had gained a footing in the house with the fixed determination of worming out for himself the bank secret, and while he was about it he wished to conquer the sturdy Dutch-woman—for he resembled Don Juan in sparing no pains for his own advantage. On the one hand his intelligence was paramount but on the other he was forced by the need of action. And both his intelligence and the need for action were closely combined in his thoughts. The prospect of some gratification of his senses formed the requisite spur to the attainment of his goal, which was otherwise rather too difficult. The financiers and the business men whom Merkus invited to his house were certainly not always very entertaining. Nevertheless this did not hinder them from laughing long and loud when they heard of the Scotsman's ideas.

Did the bank hold cash? That was obviously so. The four burgomasters in office were changed annually; these four received the treasure upon oath, after they had looked at it and compared it with the record handed over by their predecessors. This method of rotation was a guarantee against any sort of trickery. So satisfactory was it, in fact, that for nearly a hundred years and in spite of numerous political upheavals, never had any man once been able to accuse his predecessors of dishonesty in management.

Law was not convinced. The voices trying to convince him grew more and more insistent and gave him accounts of incidents which no one could possibly contradict.

For instance, when the King of France was at Utrecht in 1672 and the money was withdrawn from the strong boxes at the bank, anybody could see for himself coins that showed that

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they had been burnt, for the Town Hall had been burnt down soon after the bank was started.

"Very well," said Law, "let us admit that the bank *does* retain the cash placed in its hands—though, mind you, I still doubt it. What is there to stop the bank from opening sham banking enterprises, as she easily could do, considering the confidence she enjoys, in the same way as the Dutch East India Company has done? or other large bodies? Her credit would allow it."

And he added with extraordinary audacity: "If she does not do so, she could do so and she *ought* to do so."

The listeners were completely taken aback at the air of authority with which the young man had uttered these last words. There was not one man among them who did not recollect having quite recently explained—after they had been drinking—the mechanism of exchange in relation to the rise in price of money, and such other things, to this inquisitive idle fellow who had only with great difficulty recognised that a *louis d'or*, old or new, was worth more in Amsterdam than a *new louis d'or* could fetch in Paris.

Now there was that same fellow criticizing as familiarly as you please the management of their bank—which was deserving of nothing but respect. Really, he was going too far. . . And this was by no means the first time, either.

Being vastly proud of having reaped the heritage of the Venetians and the Portuguese, of being the owners of the most active fleet of trading vessels in the world, and of being the masters of the great Dutch East India Company, these wealthy merchants did not at all care to hear this impertinent Scotsman suggest that their prosperity depended upon faulty proceedings and the neglect, on the part of other great nations, in

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trade. They would have preferred to have him praise their genius, as he had on other occasions when he had politely extolled the wisdom possessed by a country, lacking a fertile soil as Holland did, in founding business—immense undertakings they were—which provided for all needs, rich manufactured goods to be sold to other countries, building materials, and a tremendous wealth in money of which the greatest power lay in its cheapness.

Merkus, who did not say as much as all that in the course of a year, saw plainly enough that his friend reasoned badly but expressed himself admirably. Everybody liked the young man very much so long as he took no share in conversations which were entirely out of his reach. His most enthusiastic admirer was old father Merkus, unlike his son and rather too much of a talker. With a napkin tied round his neck and his knife in his hand, he would hold forth as soon as the pastry was brought to the table, always making the same gloomy remarks:

“At that time I was ten years old—I can remember it very well—the world was mad. They were buying and selling tulip-bulbs in all countries, and at absurd prices. People disposed of their estates, their houses, their horses, and anything they possessed, to acquire them. Everything was done by contract. Men were ruined through tulips which the broker, the seller, and the buyer would *never* have a chance of touching. It was simply a frenzied speculation. Everybody was making money. Oh, yes. The Golden Age had come. But then, suddenly, everybody was losing money. Meetings were held so that it could be explained to the people who were steadily losing their money that they were really still gaining. But somehow no one had confidence in the orators: the country

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was in a state of complete misery. That was called tulip-mania. I vowed that I should not die without recounting, once at least, what I saw in my childhood—when everybody went crazy.”

Because this was the thousandth time that the old man had told the story nobody heeded it—except Law. But he, filled as he always was with matters of the imagination, saw in his mind the whole nation turned into frantic speculators, indulging in tulip stakes just as he might play for a guinea. The old man did not need to tell all he knew. Men as clever as he, if they were then in existence, had most certainly grown rich and remained rich. Leaning his elbow on the table his nostrils slightly quivering and his eyes glowing, Law was dreamily stroking, almost as a woman might do, the lace which adorned his throat. At that moment he was so extraordinarily attractive that Madame Merkus was struck by him. And her bosom swelled so that she was nearly suffocated with joy.

Law noticed what had happened and decided that should they chance to be alone and should he, by dint of careful calculation, catch her with her bosom heaving as he had now seen it do, he would throw his arm around this goddess's neck and kiss her on the mouth.

All this he was able to carry out towards the middle of June. It was on the day when she had asked him whether the ring he wore upon his finger was a gift. At the mention of the mere word *princess* the bosom of Madame Merkus had risen to the required pitch.

A day later she gave in to all his wishes.

She was passionately in love with him, the poor Lucretia. It was so hard for her to conceal her happiness from her husband that she kept nothing back from John, who, as she said,

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"was prettier than a girl." Then Madame Merkus announced to her lover that Namur had been seized by King William on August 27th. That was the first time that a marshal of France had ever given a city, which was under his protection, into the hands of a victorious enemy. If Europe trembled, it was from stupor rather than from joy. Law received this blow while he was still lying in bed. He sprang up in haste to go and give the astonishing news to the Resident. On her knees Madame Merkus implored him to do nothing of the kind. If he did she would at once kill herself with a dagger in the very room they were in. He stared at her stupefied, not knowing what she said. Then she went on to tell him that Merkus had men in every capital who sent him information on every change affecting money matters. That was altogether common knowledge. But there was one thing which was not common knowledge and that was that Merkus had similar men, also in his pay, who supplied such items of news from the army. "I don't know why it is," said the good lady in perfect good faith, "All I know is that not a word must be said about it."

John was not such a simpleton. He dressed as quickly as he could, took the carefully kept guineas out of the secret drawer in his chest and hurried straight to the Bourse and did on a small scale for himself, just what the banker was doing on a large scale.

As he went by Merkus's offices he noticed an over-heated horse tied to the hitching post in front.

Law had secured the bank secret, which he had so greatly desired to extract from the worthy Merkus, unaided. But had he really found it out? Ah! Well, what did that matter? He believed that he had. Next, he would make use of that worthy

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fellow's wife in order to build up for himself another fortune, one which he was not going to squander as he had squandered the other. Without money what was there in the shape of a large undertaking that he could do? With inexhaustible patience all the information that his mistress could furnish was duly wormed out of her, and as duly turned to good account.

Henceforth he was to be seen every day under the arches of the Bourse, which was in all truth a Tower of Babel where men of all nations, except Frenchmen, were found. For the Protestants, hounded out of France and congregated in large numbers in Amsterdam, could not reasonably be considered Frenchmen. In Amsterdam, by the way, they were made much of.

The Scotsman specially noticed, for his own guidance, the intrigues carried on by the various emissaries of Merkus whose names the faithless wife had given to him. These emissaries made their appearance and looked cheerful or dismal when they brought in their bits of news, good or bad, as the case might be: but it was invariably false news. Law for his own part did not remain idle. He communicated at once with William, his favourite brother and the one who had lately set up in London as a banker.

The continent of Europe now became for him merely one vast gambling table upon which he caused his money to roll from one capital to another. The slightest variation in the money-market upset him. As soon as he heard of any such thing he would send into the country suffering from that form of money-sickness a quantity of specie, at 5% or more, which he sold, and then immediately bought in again before a further fluctuation could affect it. In this way he speculated upon all the State revenues, particularly during the win-

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ter of 1697 when peace was made between France and England, and he realized tremendous profits through having been kept in touch day by day with all the intricate discussions which preceded the actual signature of peace. If he ran short of funds, one evening spent at faro or basset put that right. But what about the Resident who had forbidden all gambling? Law merely laughed at such prohibitions. A man who has plenty of money in the bank is never sent to prison, or if he is, no one ever reminds him of it.

He would have been perfectly happy if Madame Merkus had not made herself so troublesome to him. For some time past she had had a habit of weeping copiously because John would not swear that he would marry her if her husband died. As a matter of fact poor Merkus was not in very good health and the doctor had lately stopped him from taking champagne because its acidity produced a harmful fermentation.

"He was so very fond of it," lamented Madame Merkus. "When he is no longer here, I shall make you so comfortable. You are nearly a rich man. You shall be richer still. Do you know how much money he has in his banking-account?"

John persuaded her to be silent. To have nothing but this woman, and this city for ever! No! He would rather be a poor man again! With such a brain as his, and it had gained much in Holland, he needed no one at all to make him a rich man either in this country or elsewhere, more particularly elsewhere. He was now in a hurry to leave this country where he had lived for the last four years, or very nearly, deprived of the gallant escapades which were so greatly to his liking.

Although the time of year was not very favourable for a sea-voyage he suddenly made up his mind to embark on a

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good vessel which was sailing to Genoa, and he reckoned that he would arrive in the nick of time for the carnival which began at Christmas.

On the day of his departure, and his departure was more like flight than departure, a man-servant from Merkus' house came running to the house in which he lived to bring him a letter. He was ready to leave the house and he read the note by the light of a lantern.

"Come at once. He is in the agony of death."

Alas! It was too late. The wind was rising and, besides, the carriage was waiting for him.

As the horses trotted down to the quay that foggy night he could not help sighing as he remarked to himself:

"Poor thing, she will lose us both at once."

These were the last words he uttered in Amsterdam, to which city he was destined never to return.

CHAPTER THREE

Law's natural tendency towards gallantry, which had been more or less in abeyance while he was in Amsterdam, was aroused again the moment he put foot in Italy.

However, the Scot behaved pretty well in Genoa where he stayed for only long enough to do one important piece of business: namely to engage the services of the man who had been Merkus' correspondent and who was now without employment.

As soon as this arrangement had been made, Law returned to his inn and ordered the innkeeper to have ready a post-chaise for him on the following day. He then immediately engaged a courier after the fashion of the English who cannot get on without one on the continent. This courier was a Frenchman named Picard and, like many of his fellow countrymen, a very shrewd person. He very quickly secured two lackeys for his new master, for Law was anxious to make his appearance in Venice in fairly handsome style.

The journey was not dull in spite of the bad roads and the darkness of the towns, which were lighted only by the lamps placed where there happened to be a figure of the Virgin Mary. Such inconveniences were small matters to the Italians and did not seem to affect in the least their natural gaiety. Above all countries, Italy is the *singing* nation. Music seemed to be the only occupation of the people they met and their good humour was infectious. At every place they stopped to make a change of horses, Law charmed all who met him by the elegance of his conversation and the gentleness of his manners. Everywhere he found a girl willing to spend the night with him in return for the gift of a cap. Such appeared to be the price of love in the little towns they passed through.

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The inn at Padua where he put up was jammed by foreigners who had come to celebrate the carnival. In the courtyard coaches were crowded together, and footmen and lackeys were squabbling and exchanging insults. The masters took part in the foolish disputes, swords gleamed, women fainted, and the host raged. All this noise and disorder delighted John Law. Such a sight, alas! was never to be seen in Amsterdam. It cheered him so much that, while they were crossing the lagoon, it seemed only kind to get into conversation with a German count, who had travelled with him on the voyage, and whose gloomy face was depressing in the midst of such lively people. The count, whose head was the shape and colour of a huge pat of rancid butter, had lost his courier (a native of the Thirteen Cantons and a perfect fool) and he did not know where to find accommodations in Venice.

Law, anxious as ever to be polite, said that his man would manage to engage an extra room for him.

St. Marks Square, which presents the finest view when seen from the sea, was now before the eyes of the travellers. They were face to face with the armed galley always in readiness for defence of the city. Here galley slaves were trained to row.

Picard was waiting for his master on the quay. He took the two new friends to an inn. As soon as they had some refreshment they went out for a stroll together in the little brick-paved streets, intersected by bridges, which cut up the city in such a complicated manner. Everyone they passed was wearing a white mask—even the women selling vegetables and the mothers suckling infants.

There was no laughter anywhere. Serious, almost sulky men went their various ways in silence, their hands laid on their daggers. They were wearing long cloaks which came

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down below the knee, a cape around the head and shoulders, and plumed hats. The women of all classes were clad in their everyday clothes, except for the masks. They had the *zen-doletto* twisted around them, covering their hair and tied around their waists. A few old women, faithful to past fashions, wore shoes like stilts, with heels two feet high. These ladies got along very slowly as they had to lean on the shoulders of two maids. It was no use to try to flirt with them.

When they had walked some distance, Law and his companion went into a shop where all kinds of frippery were sold and bought the masks they felt obliged to put on. The masks did not change the appearance of the two men. The Scotsman was as handsome as before and the count looked no less coarse.

By the time they came out of the shop the sun was setting and the maskers were making their way to St. Mark's Square to hold their rendezvous.

The two foreigners had considerable difficulty in forcing their way through the dense crowd collected on the Slaves Quay in front of the puppet-show. Here a showman with performing canaries, vied with the quacks who found this a place where they could sell their cures for stomachaches, and their pomades guaranteed to hide the signs of the jeering years. Jostled and sometimes pushed back they managed to twist their way ahead and avoid the crowds of silent masked men smelling so strongly of wine. In the middle of the Piazzetta they were driven back for some distance by heightened pressure from the opposite direction caused by the rush of people coming from the distant Merceria. They reached the square at last and were rewarded by finding there women who did not mind being stared at. These had beautiful curly hair, ornamented with jewels, birds, flowers, and even fruit. At every

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moment they altered the position of their masks in reply to the glances of the men, whose clever fingers had a language of their own as they ran them round their own masks.

Followed all the time by the count, who grumbled that people kept treading on his toes, Law threaded his way through the crowd in order to get near one special couple. The pretty girl who had attracted Law was walking daintily and coquettishly by the side of an old painted, powdered and carefully bewigged man, who was greatly amused to see the glances cast by the young man at his charming lady. "Shall I invite him to supper?" said he to the young courtesan, who was obviously interested.

"Morals in this place are appalling," remarked the count, who was otherwise delighted to get a free meal.

A gondola took the whole party to the palace of the easy-going old gentleman. The host's name was Badouari; and it was inscribed in the Golden Book of Venice. In the vestibule, hung with trophies of the chase, there was a vast assembly of people awaiting them when they arrived at the palace. They ascended the magnificent staircase and went into an immense stuccoed hall with a high vaulted ceiling curved to resemble a canopy. This ceiling had been painted long ago by the famous Veronese. The beauty of the furniture charmed Law, and he would have liked to look more closely at the great mirrors with oval frames, the carved tables, and the cupboards with decorative panels.

People were chattering together in groups.

"Lucia Canaletto," whispered the courtesan to the Scotsman who very much wanted to know her name.

Old Badouari apologized for the supper. And indeed it was of the simplest kind. There were only thirty-three courses. As

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each dish was served, the table was changed—and while this was being done, clowns, dancers with tambourines, and a man who made some angry dogs fight, amused the guests.

Towards the end of the supper, the Canaletto took one of the dancing girls on her knee and laughed childishly at what was whispered into her ear. But she reassured Law with a smile. When most of the guests were beginning to get drunk she suggested taking to the comedy those who would like to go.

There the leading families of Venice, such as the Barozzi, the Morosini, the Contarini—with their distinguished friends—occupied boxes not far from Badouari's and amused themselves, not without solemnity, by spitting down on the people in the pit. The latter protested and young bloods were compelled to go down and thrash some of the insolent fellows. The son of a former Doge, who had won a prize for his remarkable strength, spanked one. At last archers came and took away those who had been most hurt.

"And now, let us go off to the gaming-tables," shouted the strong man.

A joyous gleam appeared in Law's eyes.

"Shall we go?" he asked Lucia.

She gave him a kiss in answer—and one to the old man, too.

"Yes! to the gaming-tables!" she repeated. "Let us go to those in St. Mark's Square."

They went on foot. At long intervals, down the narrow streets where the thick crowd was surging, shone a lantern wreathed with flowers. This was a sign to show that in that house there was being held a ball open to the maskers.

"Let's go in," said Lucia, and they went across a magnificently furnished room into one where people were danc-

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ing. Here the musicians had just stopped playing, while the master of the house walked among the throng with his hand held out for coins. Then the music began again and John danced a *chaconne* and a *sourlane* with Lucia, who for pity's sake gave one to the count as well. Then they started off for St. Mark's Square once more.

The moment Law put his foot inside the famous haunt of gamblers, which was well known from one end of Europe to the other, he knew that he had seen nothing else so fine in Venice.

The whole expanse of the room, with its many tables placed closely together, was like one green carpet streaming with gold. Everybody thronged there, from Senators to tradesmen, and from ladies of the nobility to the humblest women of the streets. There were knights of industry as well as knights in the ordinary sense of the word, a real abbé who could officiate at mass and an abbé who had taken orders at the shop of the old-clothes man. Here was the meeting place for scoundrels from all over the world. All of these, as a matter of course, were bearers of showy titles; the lowest had been Minister of State in Corsica, military intendant in France, general in Morocco, prince in Denmark, colonel in Spain, ambassador in Turkey—and rascals everywhere.

Law did not dislike such people—quite the contrary. Taking Lucia by the hand, he looked for seats in this dazzling company. The count had just been taken off by an old friend whom he had never seen before. As he was carrying refreshments around to the players, a clumsy footman dropped a tray loaded with liqueurs and ices, onto the back of old Badouari.

The bankers were shouting all at once:

"Show your cards better than that, sir!" "Madame, play

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yours. If you don't show it, it will neither win nor lose—even if it is worth a million. It is a pure loss for both of us."

The players called out louder and louder, claiming money, giving orders, and complaining.

"Pay that to me." "That's mine." "Revenge on the seven." "Give me fifteen and double on the king." "Double again." "We are quits." "Good Lord! it's a devil of a game." "Knave and knave,—again." "That is what I simply cannot endure. I would rather let the bank win altogether than half—like that."

"A hundred sequins on the nine," announced Law. "A thousand on the king. Hullo, you over there, if you drop cards, my money shall not go into your purse. Pay here, and pick that up. Double five hundred on the queen. Here again. Yes, and that."

He was winning largely, but remained imperturbable all the time, whispering now and again a word or two to his companion: "Where shall we sleep?" "Double again." "At my house or at yours?"

"Wherever you like."

"Let us go quickly," said he. "Just one moment. Fifteen hundred on the queen. Here, yes." "How you do please me! Do lift up your mask."

"All in good time," answered Lucia with a laugh.

They got away and contrived to miss the throng. Near the door they passed close by the count who was surrounded by three tricksters.

"I have never been to Copenhagen," he was assuring them.

"I said Copenhagen. But that was a mere slip of the tongue. I meant to say Vienna."

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"That is a different thing. As a matter of fact, I lived in Vienna for a long time."

Law and Lucia made their home in a little palazzo. He deceived her, and she deceived him, but they adored one another none the less. He had an affair with the dancer who had behaved so coaxingly towards the Canaletto at supper. She was slight, rather strange, and always elusive. She slipped away for three consecutive days and nights to shut herself up with some ladies of the nobility who never tired hearing scandalous gossip. Later she very sweetly took him to see one of these patrician ladies whose boredom was certainly greater than her pride. Indeed, this unfortunate lady could scarcely be otherwise. She used to spend four hours in dressing herself merely to go out and leave visiting cards, decorated with mythological designs, at the homes of her brilliant friends. That was her existence.

He fell in love with a singer at the theatre of San Angelo, over whom twenty Englishmen had gone quite crazy. She could not read, did not understand anything at all, and could only say yes and no, and laugh, and receive the great musical animal called the Maestro, every morning.

But Law did more than merely fritter his time away in Venice, where he prolonged his stay; he cultivated the best society. Keeping in the society of very young women is always the surest way of getting into touch with important old men.

Law learned a great deal at the houses of the Senators. Often there, the main topic of conversation was the *banco del Giro*. This was what Amsterdam had copied, though they suppressed the Venetian use of cash in their cash-accounts. Upon looking at the balance-sheets, Law was quickly con-

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vinced that the Venetians were right. He was in favour of the Republic borrowing from the bank, in the event of war, rather than taxing her citizens. He questioned the senators as to the methods the Venetians used in carrying on their trade. He listened attentively to all that was said, carefully, turning over everything in his own mind.

"This may be a good thing," was his judgment when he learned how the state here intervened both in trade and in banking.

He saw things very clearly. It did not escape him that the discovery of America had struck at the very heart of Venice and that not one of her citizens could be in any doubt about it.

"Venice is in the throes of death, very charmingly it is true, but nevertheless she is dying."

He would have liked to say this to Sylvestre Valieri, though in more guarded words. Knowing of his desire to be presented to the Doge, his friends side-stepped the subject whenever he brought it up. They attempted to circumvent him with idle talk, but he was not so easily discouraged. His natural generosity made him inclined to promote the happiness of others and, just as one man gives alms to the poor, he proposed to place his ability and brains at the disposal of the Republic, without payment, simply for the pleasure of helping her. But the senators were wanting in foresight, and were content to say over and over again, puffed with pride, "But we are so rich."

At last Law left Venice, as one always leaves her, with regret. He went to Florence, which he found a sad place where people went to the theatre merely for the purpose of saving their candles. The bank took up the whole of his attention during the few days he was there. He spent them in the

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company of Merkus' agent. Between them they brought off a little coup on the exchange.

Later he went to Rome. He found the home of the Pope very delightful. There were twenty-four theatres and these, not counting the eunuchs, provided a considerable number of singers and dancing girls. How charming it was to have supper at country inns and sit under the trailing vines. He always took a pistol on account of the brigands they met on the way back. He soon found that the brigands were an aid to lovers and that it was thanks to them that the frightened women in the coaches yielded so readily.

He also visited Naples. He much admired the theatres. Especially the San Carlo, which he considered the finest sight in Italy. The walls were hung with mirrors in which eight hundred torch lights were reflected. But naturally it was the bank which absorbed his attention, and he bewailed the fact that stupid Spanish tyranny should leave such a beautiful country as that without roads, without trade, and without industry.

In all the towns he had gone through Law had met a great many people of high standing who had been immensely charmed by his affability. He won a great deal by gambling, and perhaps even more from other people's conversation, for he was by nature something of a spy. He contrived very easily to secure letters of introduction and knew exactly how to insinuate himself into the homes of the most useful people. Then his self-assurance and the grace of his bearing were enough to bring him into their favour. The country itself delighted him. It was God's own country for basset and love-making. It was possible here to combine pleasure and money-making. He had only one piece of really bad luck in Italy;

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that was the German count. This fellow had been fleeced by his so-called friends on that first night in Venice. He had managed to keep nothing but his watch. He had even left the bill at the inn for Law to settle. Law had expected a little more delicacy.

Late in the summer of 1700 Law went back to Genoa, full of tender memories, to turn his energies in the direction of some profitable business with the public funds there. His associate in Genoa was a prominent man and it might be possible to do great things with him. He was thus engaged when he received a long letter from William.

Their mother was growing old and wished to see John again. His absence abroad made matters concerning the inheritance very difficult. On this score anything might be feared from Andrew. Andrew the goldsmith, was becoming very rich simply because everything was going badly in Scotland. The poor bank! And as for the Darien Scheme . . . what a failure that had been. Everybody was more or less ruined through it. "John, if only this unfortunate country had had one man like you!" sighed the younger brother, who had always admired John extravagantly.

His brother was right. Law quickly made up his mind. His native land really was in need of an expert in financial matters to put things right. He knew no one better fitted for this than he. He must at once fly to his country's aid.

A fortnight later the clever Scotsman was on board a trading-vessel on the way through the Straits of Gibraltar. But he saw nothing of the coasts of Spain or of Morocco. He was seated in the cabin at a table covered with papers, studiously turning over one by one the notes he had collected in Holland and Italy during more than five years.

CHAPTER FOUR

Night was falling in Edinburgh. It was raining. The slippery streets gleamed under the modest light shed by little lanterns hanging from the corners of the houses.

In a fine mansion in Landmarket a handsome and distinguished old woman sat reading, by the light of a wood-fire, a letter from her son.

"I have just arrived in London," he wrote, "and I am staying with William. He didn't recognize me at first, for you see it is nine years since we met."

She thought: "As for me, the last time I saw him was in London. That was in February, 1692. Now it is November the 15th, 1700. That is nearly nine years, too. I shall be able to recognize him just the same, if living abroad so long has not changed him. He was so handsome—and had such high spirits. He did gamble to excess, and he was rather a libertine—yes very much so—indeed too wild." To-night her happy heart scorned the old reproaches. He was coming home. The servants were keeping huge fires alight in his room upstairs to get the walls dry.

The door was opened in the gloom. "Ah! there you are!"

The old lady stood up trembling with joy. John put his arms around her. In the silence one heard only the cry: "Mother!"

"John! John!" said Mrs. Law. "Now let me look at you. You are still the same. You have perhaps just a touch more authority in your bearing and in your eyes: and it suits you very well. Sit down."

He threw his cloak aside and sat down. As he sat looking into his mother's eyes, he smiled tenderly.

The next day, accompanied by Janet, Lillas, Robert and Hugh, his younger sisters and brothers who were still living

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at home, he went to call on all the other members of the family. He saw his sister, Agnes, and her husband Hamilton. They were bemoaning the fact that they had no children. He had some lively games with the little daughter of Jean, whose stolid husband, John Hay of Latham, bored him thoroughly. And to Andrew, who had become a wealthy goldsmith, he apologized for not having been able to attend his wedding with the pretty Bethia in January, 1695, saying that he was at that time "only just out of prison, and rocking on the waves of the ocean." Leaning over his niece Jane, he said.

"How very much like you she is, Bethia. I knew you, too, when you were three years old."

"Do you intend to settle down here in Edinburgh?" asked the goldsmith dolefully.

"Yes. I am tired of travelling about the world. Then, too, this country has need of some one who will really look after it. Everything must be put in order. That is what I shall undertake to do."

"It was you we were all waiting for," said his brother with a sneer and went out of the room.

"You have married a fool," whispered John to Bethia. "And I loved you."

"You weren't there. And you used to love many girls," replied Bethia unconcernedly.

When Law found himself once again outside, he wondered: "Is it true that I ever loved her? . . . No. It was she who loved me."

Law drove to Lauriston in a carriage. All along the way the looks of peasants and workmen indicated hate. Some of them followed the carriage begging with outstretched hands. Before John had said a word, the tenant farmers told him, and they

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seemed to be threatening him, that they would never pay more. "I ask nothing of you," rejoined the landowner nobly. This mollified them and one of them told how factories were being closed, and that the end would be a revolt among the people.

John, always anxious to pick up information, spent a few days in Andrew's shop in order to hear what the tradesmen proposed to do. They had all bought shares in the Darien Scheme—now useful only for lighting fires. Each bewailed his simplicity and cursed Paterson.

Once again John thought about the worthy man who had turned him out of his office in London. After establishing the Bank of England, Paterson had conceived the idea of colonizing the Isthmus of Darien, which unites Central and South America, and created the Scottish Company of Africa and India. This project had been looked upon with suspicion by England and Holland. There was nothing left to do but excite boundless enthusiasm in Scotland. The earliest pioneers set off amidst cheering crowds. They soon received the news that two towns had been founded in Darien, which was to be renamed New Caledonia. A short time afterwards the still-born empire sank into a miserable state of anarchy. In the hope of saving his work, Paterson, as other conquerors had been known to do before him, set out himself at the head of a handful of young hot-heads, who, needless to say, were killed off by the Spanish forces as soon as they landed. Paterson had returned to Edinburgh the year before, having lost all he had, including his wits.

This mishap had had countless further reverberations in Scotland. Paper money issued by the company and profusely distributed in competition with bills, caused the bank to lose

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ground from the first. County branches were wound up. The end of the whole affair brought still worse troubles. The bank had been obliged to call upon a new portion of her capital, and after that she had to drag on a miserable existence for some time. To cap it all, their offices had burned the previous February.

Law was indignant that the credit of a bank should have been so stupidly compromised for, according to him, the Bank of Scotland was more solid than the Bank of England by reason of the fact that a greater number of loans were insured.

Conditions on all sides were heartbreaking. Manufacturers were no longer exporting their goods; land-rents were not being paid; houses in towns, as well as farms, were left to be kept up by the owners; English and foreign money was preferred to the Scottish; trade with the East and West was taking money out of the country; and two hundred thousand poor people were crying out for bread. He recalled that there was not one poor person in Holland, and that the Venetian Republic had only about three hundred. Here was this starving population trying to get out of the country, except when it was pillaging in remote small towns. Something must be done to prevent their leaving. "The strength and wealth of a nation are shown in a numerous population as well as by well-filled ware-houses with their stocks of foreign and native goods," said he. Law promptly wanted to establish a project capable of extricating the country from her bad situation, and at the same time of proving to Paterson—if God restored that poor man to his senses!—that the young man from London, faithful to his promise, was indeed the very man to rectify the mistakes made by the founder of the Bank of England. On the 31st of December, 1700, his work was done.

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He proposed the immediate formation, by Act of Parliament, of a Council of Trade, which should have at its disposal a fund composed of the estates and revenues of bishops, of all gifts made in the form of charity, a tenth part of the value of all grain grown in the country, a twentieth part of all sums collected in the Courts of Law, and the fortieth part of all inheritances whether in the shape of legacy money or by the sale of land.

In his opinion this revenue would serve to develop trade, fisheries, and manufactories generally. Still further Law had in mind asylums for the poor, such as he had seen in Amsterdam, and the purchase of everything required in carrying on such work. The council was to undertake the making of roads and bridges, and the deepening and control of the ports. The originator of the idea wished in effect, to have not only the disposal of the monopolies in his own hands, but also the right to regulate weights and measures, to punish fraudulent bankrupts, to liberate honest debtors, to seize all vagabonds and beggars, and to fix taxes on imports and exports. Law had not the slightest doubt that these measures would very soon bear fruit.

No one understood him and Parliament laid his proposal aside. He had had the plan printed and distributed liberally. Although the pamphlet appeared without it, his name got about, and His Grace the Duke of Argyll, in some way distantly related to him, wished to become acquainted with him. The Duke was a very energetic man of great ability and an independent mind. He was the leader of an independent set of thirty or so men in the Scottish Parliament, who went by the name of the *Squadron*, because they would not join with any other party.

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As a result, Law became acquainted with all the gentlemen belonging to this political set, and with some of them he became intimate: these were the Marquis of Lorne and Lord Archibald Campbell, (the sons of the Duke), the Marquis Tweeddale, the Earls of Rothes, Haddington, and Roxburghe.

John saw them all frequently, and dined and gambled in their company. Together they eagerly discussed Scottish affairs. The newcomer among them, whose lack of modesty belied his reserved manner, was always complaining about the want of knowledge on the part of Parliament and of the public, too, in whatever related to trade. He promised to enlighten his companions in this matter and told them much, not always with discretion, concerning his observations in Holland and the results of his own researches. The members of the *Squadron* were so carried away by his eloquence and the scope and clarity of his mind, that they encouraged him to publish his ideas. Law agreed to do so, and henceforth devoted half his time to study. The other half was given to speculation.

With his new object in view he often journeyed to London, where, in Change Alley, he turned to account the various scraps of news he received from his correspondents abroad. One afternoon he ran into Blunt in the crowd—Blunt who still went about in his queer hypocritical way. It was without pleasure or surprise that this former lawyer's clerk met his detested friend; after two or three words concerning the shameless morals of the day he hurriedly quitted the Scotsman.

Law's journeys to London became more and more frequent in the spring of 1701. One day he informed his mother that he was married and that his wife would be with them within

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a few days. As soon as he had blurted this out he corrected himself.

"I am getting married, that is to say, I have been married for the last month." John looked rather embarrassed as he spoke.

"Do you mean that you are really married," asked Jane Law, still feeling uncertain.

"She is of good family," he answered hastily, "she was Catherine Knollys. Her father was Nicholas, the second Earl of Banbury and the great-grandson of Mary Boleyn, the sister of the wife of Henry VIII. She is the widow of a man named Senor."

"That is not a very high-sounding name when compared with that of a lady of such lofty descent," remarked his mother with a smile—and she would have smiled still more had she been better acquainted with her daughter-in-law's family connexions.

This Nicholas had spent the whole of his short life in trying to prove that he was really the son of his father, which was doubtful, and to gain the inheritance from old William. Catherine, who received an allowance from her brother, a man of extremely wild habits who had killed his own brother-in-law in a duel, was very glad to become the wife of Mr. Senor when he made his appearance. Having had no children, she much regretted his death; for that meant that she lost a large estate. John met her and thought her beautiful. Her scornful and arrogant bearing had an overwhelming charm for him: he was eager to conquer her. Never had he been so much in love and he believed that she was equally fond of him.

Jane Law was soon to see a tall, fine woman arrive at her house; but, for Jane Law, that majestic and even haughty

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glance was spoiled by a birth mark which covered a part of her cheek.

Exactly eight months after this and in solitude altogether in keeping with her pride, John's wife gave birth to a son who was named John. The grandmother, because she did not approve of Catherine, waited for nearly two years before she made any alterations in her will. The title of Law of Lauriston was to go to William Law in the event of the death of the elder brother. But on the 7th of April, 1703, she consented to let it go to little John.

Law turned this occasion to account by asking his mother to allow him access to the documents relating to the estate under the pretext of wishing to know what the land rents had been in the sixteenth century.

It was at this time that he began to write his treatise: *Money and Trade considered with a Proposal for Supplying the Nation with Money*. He had the intention not only of placing his vast knowledge at the disposal of everybody, but also of demonstrating to them the admirable qualities of *land-money*, a marvellous invention of his own, hitherto revealed only to the members of the *Squadron*. Law was thirty-three years old when he brought out this work. Though it had not taken him long to write it, it was produced only after long and careful consideration. The eighteen months he spent over it were taken up in arranging his ideas, and instilling into the work the confidence which enlivened his speech. He succeeded in both objects.

He was a master in the art of convincing the reader. He relied chiefly upon a sequence of logical and reasonable ideas, each of which in turn depended upon some statement absolutely incontestable—or which at least appeared to be so.

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All through endless days of toil spent in turning over every point in his own mind, he was able to find his own definite point of view among any number of divergent ones.

He had read and discussed all the books dealing with his subject. He, the former pupil of those who upheld the mercantile system, now had the whole matter at his fingers' ends and was quite prepared to confront his teachers on an equal footing. The time had come when he could attack even Locke: formerly he would have been aghast at the very idea of such a thing. Well, Locke had had his day. And now there was John Law.

As he sat in his room in Edinburgh fingering the pages of his favourite books with his beautiful gesticulating hands, and running through the notes he had made during his stay abroad, he created the theory which he adhered to the rest of his life.

He advanced towards the truth which was already familiar to him with the same certain step which he must persuade the the ignorant to take. He felt as able to convince others as he felt sure of himself. The wealth of a country, that is to say, the power of the sovereign, is closely allied (it was held by the mercantilists) with the largest holding of precious metals.

Law's answer to this was: "Yes and no."

Law wanted both power retained for the sovereign and well-being for the people generally. He recognized the rôle of money, but did not express any opinion upon the nature of it. It would not do to overlook the example set by Spain. She possessed gold and silver mines and yet could not keep money in the country simply because her trade was weak and her home manufactures trifling.

Law knew his own worth, but he had to make allowance

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for the low order of intelligence possessed by the public. Before convincing people of the high importance of his ideas he was compelled to instruct them in the very rudiments of them.

For the mere satisfaction of overwhelming the ignorant with his own superior knowledge, he entirely rewrote the first three chapters of his book. And in writing upon the meaning of money he gave a full account of exchange from the age of barter down to the days of coins. With greater skill than that possessed by any novelist, he gripped his reader without appearing to discuss the subject with the ever increasing importance of currency and he did it so well that the reader was soon brought over to his own way of thinking.

He went on explaining. He taught his reader the principles of trade and how trade depends upon money. He went on to elucidate just what part was taken by banks and he carefully went through the various proceedings of the banks for the purpose of keeping and increasing that money. He knew Amsterdam and London, and he had been in Italy. Soon there would be no one who didn't know all about it.

He was just on the point of extolling the Bank of Scotland, which indeed deserved all possible praise, when events compelled him to lay his pen aside and rush out into the crowded street for the latest news.

There had been rumours that specie was to be raised and people were making their way in wild anxiety to the bank to cash, with all possible speed, the paper money they had in hand.

"Advise the Government to lower specie at once," said Law to the members of the *Squadron*, "and then the cause of the run will be got rid of and specie will be brought back again to the bank; otherwise all the money will have leaked away."

Two days later—the 19th of December 1704—the treasury

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was exhausted, the bank ceased making any payments, and business houses gave out that they were unable to settle with any of their creditors.

"What is the use of giving people a warning?" remarked Law indifferent now to all complaints and calmly continuing his writing.

It was at this point that he replied to certain men who were against the banks for not holding gold and silver in sufficient quantities to meet all bills. These foolish objections Law swept away with the same fearless pen he had used before the tumult had occurred. He himself needed more than that to hinder him from rational thinking.

Once more he had to abandon his work, for he could not go on quietly indoors. There were too many fools about. Everybody came to him, bringing his speech or pamphlet written with the object of procuring for Scotland the wealth which she now seemed totally to lack.

"Raise the price of foreign specie and thus attract it to this country," said one.

"Sheer stupidity! That would not stand any serious investigation," growled Law.

"Melt down plate," proposed some one else.

"That would be cowardly," replied the critic, "and besides it would lose at least a sixth of its value—which is in its 'working'."

And so the voices of the people who wished to save Scotland went on increasing.

"Regulate the balance of trade; limit the consumption of foreign goods and the expenditure of our money in England."

"Issue treasury notes in public revenue."

The author of *Money and Trade considered with a proposal*

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for supplying the Nation with Money demanded that this procedure be put into practice in conjunction with the African Trading Company.

"The only thing that will save us," maintained Dr. Hugh Chamberlen, brandishing in his hand the proof-sheets of *A Real Remedy for the Lack of Money*, "is the Land Bank. Yes, we must have the Land Bank."

Law jumped up from his chair. In a fever of impatience he turned over the pages of the pamphlet which outlined a scheme for pledging estates and other land property for the duration of twenty-five years and issuing notes at the value of the property.

"That's my idea," he exclaimed, "my idea, somewhat distorted by a queer fellow who is more fitted to prescribe poultices than meddle in finance."

"You are a plagiarist," shouted the doctor.

"If you continue to be offended at my interfering in this matter," rejoined his younger adversary, "I can give you the names of people who have been familiar with my project for several years past."

At once the public took sides: "The doctor is in the right." "No, Mr. Law is right."

Mr. Law made the doctor sit down and forced him to read the new edition of his *Money and Trade Considered*. To this was quickly added a proposal to supply the nation with money. Law proposed placing the whole matter before Parliament.

Law became vexed. He denounced the evils due to the use of minted money as Blunt might have denounced courtesans. Accordingly he put forward the idea that "*Money is subject to variation in value even if the sovereign never changes its value.*"

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For example: in 1526 the mills which belonged to the city were leased at 400 marks. Now they brought in 13,000 marks.

Therefore the value of money decreases. Not only that, but it runs the risk of losing its additive value. On the other hand, land has a more certain value than other goods, for it always remains the same in size.

"*What I propose to do,*" he announced in a penetrating voice, "is to make a land currency equal to the value of the land and to the value of actual coined money without being subject as is coined money, to a fall in value."

With remarkable courage he went even further and said: "In Holland they give money as a pledge and paper is used as cash. It is obvious that land as a pledge is a better value than a money pledge."

This obvious example did not prevent his remembering how the cashiers of the bank at Amsterdam furnished money against business projects. With his project to loan only on land securities, exchange would be out of the question altogether.

He readily answered this objection.

"Security given for the first paper money was money: security given a second time, was land. Money had really nothing more to do with gold or with silver than it had to do with other goods."

Law had expressed it all better when he had said it to the *Squadron*, but he did not dare write it down. People are such fools! They would have been alarmed if he had proclaimed exactly what was, as a matter of fact, the truth:

"I have invented a new kind of currency which is nothing but the old one brought to a state of perfection. What *is* that

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coin that you are holding in your hand at this moment? It is a piece of metal which bears an impression. What are you now in need of? Cash. I cannot create metal, but I am able to multiply the impression by having it put upon paper. And for my own part I maintain that it is the impression that is the cash. Just reflect! Yesterday, when the last of the cash in the Bank of Scotland was paid out, there were people who said 'but the bills are still in circulation.' I pledge my paper-money on land, and I might pledge it upon the wealth contained in the ocean. The ideal method would be to pledge it upon nothing at all. . . . But human beings have not yet reached such an advanced stage that they can accept *confidence* as their only guarantee. You are poor because you have no cash. I am giving you some. My paper-currency can and must be always equal to the demand made for it. Thanks to it the inhabitants of this country will have employment, manufactures will be greatly improved, home and foreign trade will be extended, and power and riches will be gained. . . ."

His pen ran on fluently and discreetly, a smile of triumph on his handsome face. He brilliantly answered the critics who kept one eye on the scales and the other upon the rates of exchange. And he ended, in his own style, which was never overloaded with the false modesty of hypocritical writers; he said; "*Any other Objections that I have yet heard against this Proposal, are such as may be fully answered; and so far as I can see into it, with all the application I have been capable of, I cannot find any Objection but what may be fully answered, nor any Difficulty in the Execution, but what may be removed. If there is any Fallacy in the Positions I lay down, or any wrong Consequences drawn from these Positions, I have not been able to discover them.*"

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Law sent his work to His Grace the Duke of Argyll who had recently become one of the lords of the treasury. The *Squadron* promised to support its friend, the cleverest financier in Scotland.

Deliberative assemblies are accustomed to drag everything out as long as possible. Thus it was only on the 27th of July 1705 at ten o'clock in the morning, that Parliament, which had just met, went into Mr. Law's proposal. It had been formally read at the last session. The second reading had the same result as the first. It was rejected after a short discussion devoted to the financial question, which did not, as was the usual case, wander into politics.

In answer to the Duke of Argyll, who kept him informed as to what took place during that deplorable sitting of the House, Law merely said: "This is the end of Scotland."

The members of the *Squadron*, who sided against the majority in the House, were of much the same opinion.

John, as soon as he reached home, without observing Catherine's smile, wrote to the serious-minded Addison, whose acquaintance he had made in London, to tell him what had happened and to beg him to interest Godolphin in his schemes. He offered to explain them to the minister himself. Addison was fairly intimate with the Lord Treasurer, for it was he who had commissioned Addison to write a poem to celebrate Marlborough's victory at Blenheim. The writer's recent appointment as Commissioner of Appeals in Excise had brought them into still closer contact. Addison easily obtained the desired interview. Unfortunately, Godolphin was not favourably impressed by the proposal for the advance of money on land securities. On that day the minister was in a hurry to go to the racetrack to play one of his horses which he felt sure

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would win, so he quickly took leave of his rather talkative visitor.

"You have come a cropper," Addison told his friend. "Racing is going against Godolphin just now. But luck may turn. I will let you know how things go and you may soon be more fortunate."

"If he played basset, I should take special care to lose the game," said Law.

"Alas!" answered Addison, "he cares for nothing but horses and chess."

During the whole of the last year Law spent in Scotland, Godolphin must have done nothing but lose on his horses, for never again did Addison make any further allusion in his letters to an interview with the Lord Treasurer.

Meanwhile Law had published his *Considerations* anonymously—though he did not mislead anybody. Men of brains were charmed with his book but other people did not understand it. He also kept in constant touch with the *Flying Squadron* in whose society was discussed the burning question of the day: the Union with England. The London Government had sent the best pamphleteer in their pay to Edinburgh to hold, by means of his pen, all the enthusiasm of its supporters. This pamphleteer was, as a matter of course, Defoe. Law was delighted to see the old *habitué* of the tavern in Piccadilly, once more. Defoe did not, however, recognize Law at first, but after a moment he exclaimed, "Why, of course, you had had a duel. And there was some little fuss made about it—I remember. So now you are back in your own country again. What are you doing?"

Law told him about his great schemes, and his connection with the Duke of Argyll and the *Squadron*.

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"Take me to see the chief members of the *Squadron*," Defoe asked. "They seem fairly well disposed towards England and I will somehow bring them over to our side."

Law loitered near them while Defoe and the others had their discussions, for there was in him something of the instinctive spy which was for the moment stronger in him than the financier. He already foresaw that there was here a profitable game for him to play, and political ambitions crowded everything else out of his mind. It was not long before the risks which such a part must entail for him restrained his ardour.

On the 3rd of October 1706, Scottish and English Parliaments were united in the midst of great public excitement. The whole of the clergy—opponents of the Union, especially the Established Church, incited their parishioners to rebellion, and on the 23rd of the same month the House was besieged by a mob. The mob followed Hamilton as he left Parliament, into which it had not been able to enter, and smashed the windows of his carriage. As the moving spirits of all this affray saw him escape, they made their way to the dwelling of Sir Patrick Johnstone, the former Provost, where they attacked the floor he occupied while the rest of the mob screamed threats along the streets.

Catherine, trembling with fright, witnessed from her own windows this hideous sight. John was not at home. He was dining at the home of Lord London in company with the Duke of Argyll, the Earl of Marr, Secretary of State, the Marquis of Lothian and a few others. While they were seated at the table they were interrupted by a terrified servant, who rushed in to tell them what was happening and that the guard was unable to disperse the crowd, which was becoming more numerous and more violent all the time.

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By order of the Lord Provost, a battalion of Royal Guards was sent out into the city. Finally it succeeded in restoring order, in the now darkening streets.

Law, who was almost as much alarmed as Catherine, took advantage of the interruption to return home. "Ma says that we shall all lose our heads in the end," he told his wife. He made sure of his own. A week later the whole family started to London. There were rumours of risings in Glasgow and other parts of Scotland.

These bloody political battles did not suit Law at all. He preferred to give the whole of his time to making his theory better known. He therefore took up his abode with William, made fresh acquaintances, and renewed his attack upon Godolphin.

"England is not improved to the extent she might be," explained Law to the Lord Treasurer, "if she had increased the amount of her currency. You possess fourteen millions sterling and you have a similar amount represented in notes. That is not enough. You ought to double the circulation of notes. You would thereby attract people into the country and develop trade. If the loan of money upon land security does not altogether appeal to you, I shall find you another means. The main point is to make paper money enough to meet any demands for it."

"I shall think the matter over carefully," said the timid minister.

"That is a man who possesses great financial ability. You should find him a position," was the advice given by some one to the Lord Treasurer.

Law, who was wont to hold forth at length wherever he went, had impressed a certain number of people by his skill

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at cards and the promptitude with which he made his calculations.

Godolphin listened to others too. Blunt was one of the others and he had a better memory than Defoe's. He remembered the sequel to the duel, and the action taken by Wilson's brother. He started the rumour that Law might easily be put in prison again. In a very short time Law no longer dared show himself at the exchange, and William persuaded him to flee.

John, greatly hurt, raged against Scotland, against England, against the lack of brains among all these jealous, envious jackasses.

He left for the continent at the beginning of 1707, accompanied by his wife and six year old son. She was not at all pleased at leaving England. Dread of an uncertain future was stronger in Catherine than her love for her handsome husband and this made her reluctant to go.

After saying farewell to his brother on the quay, John slipped a letter into his hand. This was addressed to Godolphin and was to tell him that he was leaving for Brussels, but that he would return at any moment if the Government required him.

This letter was doomed to receive no answer.

CHAPTER FIVE

Upon his arrival in Brussels, Law stopped at the Hotel Belle Vue, which was the best in Europe. He very soon found accommodations in a private house more suited to a gentleman travelling with his family.

It was not his original intention to stay in this city for long. But who can foresee events? He was there a year.

The anger which had seized him in London against the Scotch and the English who could not understand him, quickly subsided. Law was not a man who could be cast down by lack of success. The certainty he had of being in the right gave him a strength which no other force could in any way diminish. He was sure of himself; he was sure that any nation that would put his wonderful discovery into operation would reach a state of prosperity hitherto unknown, and he was convinced that history would place him in the foremost rank of mankind's benefactors. This he told himself again and again with a childlike pride, which, however, never let him lose his head.

Without stopping to boast, he scrutinized the whole of Europe to discover which country would give the most favourable reception to his theory. He had now got it into complete working order. It was for the use of countries possessing large holdings of specie, and consisted in using that fund of wealth as a guarantee against the issue of notes which were soon to take the place of the hated gold and silver currency. His object being to increase the quantity of cash in circulation, he saw in his mind's eye paper-money distributed more, or less, according to the need for it, by a State Bank in which he would work in conjunction with royal authority. He saw even more than that. For in his active mind ideas crowded in upon

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each other. The most important matter at that moment was to find the government willing to make the experiment.

This task was no hindrance to him in making money. As a matter of fact he saw plainly enough that large sums of money would be required in establishing the bank.

Every morning was spent in business. He attended to his correspondence, sent off his orders, and went through the news of the day. The *Gazetier de Trevoux*, the *Gazette de France*, the *Actes de Leipzig* and even the *Journal des Savants* had no more faithful reader than John Law. The events then taking place in France were what really interested him most. Every day he received from Bourgeois, his agent in Paris, some useful hints on points of finance in that country, which in his own opinion was one of the countries most fit to be guided by him.

The afternoons were spent out of doors. He took Catherine with him on walks winding round the city and its ancient ramparts. They returned by way of the palace where they visited the labyrinth. Was there anything more delightful in Europe? There, four figures of Cupid throwing water from basins to a great height, were to be seen, and there was also a wooden four-storeyed house which had been made in Spain. Herds of deer wandered in the park with wild goats and rams so tame that it was the custom to offer them one's snuff-box, for they were very fond of snuff.

The city itself was delightful. It had lately been largely rebuilt and there were very few traces of the heavy bombardment which it had undergone at the hands of the French twelve years earlier. The citizens were justly proud of their fine market-place and their splendid old mansions, used now for business purposes. They loved to show to foreigners the statue of the boy who urinated all day long to amuse the

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citizens. There was a Mont-de-Piété in Italy and, as nowhere else at that time, buildings for the troops to live in, called barracks. Although warlike, the people of Brussels were quite friendly with foreigners. They were sometimes perhaps too trustful.

John and Catherine were not, on the whole, dissatisfied with the town in which they lived. They regretted only that the theatre was so bad and that smart society was not easily entered.

The middle-class people were friendly, but the nobility was unapproachable and thrifty. They seldom entertained lavishly. The sight of such self-sufficiency was apt to take an outsider by surprise, for he did not know that, in spite of the high-sounding titles which made such a fine show, many of these nobles would have found it difficult to prove their claims to them. They were simply Counts of Hainaut, or of Flanders, and Dukes of Brabant and of Guelders. Under Spanish rule they had simply been called "Excellencies," but since that time the same men had been known as "Princes." Their door-keepers now wore moustaches—for they had been made into "Swiss Guards." Some among these high personages had fine collections of pictures, but it was not often that they would let other people look at them. Foreigners were allowed to attend certain concerts for the middle-classes, but they were forbidden to attend those frequented by the nobility. In Mrs. Law's opinion this was not as it should be.

Play was high in Brussels but the players could not be trusted. There were even more adventurers than in Venice. This was the favourite haunt of such people. Idlers, who always speculate about the reasons for anything out of the ordinary, said that it might be explained thus: there was in

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Brussels one district called the Burghendal where a creditor forfeited his claims against insolvents, where a bankrupt might find asylum, and where any quack was allowed to sell his so-called remedies without fear of any punishment. That was quite enough to attract into the country rogues of every sort and kind, who felt safer there than they did elsewhere. Men of that set won fairly large sums even from Law, in the course of two or three sittings.

It was not enough merely to win at cards here; the point was to make the loser pay. It was not physically possible for players to carry large amounts of cash about with them, so they signed i.o.u's which, by men of honour, would be settled in cash on the following day. Cheats preferred to take refuge in the Burghendal.

The ingenious Law, who had opportunities for reflecting on the inconvenience of these practices, soon observed that the use of his proposed paper money would do away with them at once. Paper-money would have the advantage of taking up very little space so that every man could carry what he wanted. Also it seemed to Law that men's stupidity was such that automatically they would be less greedy for paper than they were for metal money. "One reason the more to use against the detractors of my theory," he said to himself.

One afternoon as Catherine sat reading and yawning over the *London Gazette*, already a fortnight out-of-date, a footman came in to tell her that a goldsmith, bringing two very heavy bundles for which he was to be paid, was waiting at the door.

"They are jewels," she thought.

At that minute John came in and his wife welcomed him with the amiable smile a lady should give under the circum-

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stances. The footman repeated his message and Law, turning towards the hall, replied, "I know what it is."

He soon brought in two high heaps of square gold plaques, each of which bore the inscription "Eighteen Louis." He smiled and Catherine gave him an angry look of surprise.

"These are counters for card games. I have them there for a hundred thousand *livres* and they will easily go into one bag. Isn't it convenient? No one ever thought of it before! Thanks to this idea of mine there will be no more i.o.u's, so often signed with a false name and never settled at all. My counter has intrinsic value. It bears my name upon the reverse. See here! Whoever gives it is compelled to pay in order to regain it. The one who receives it is sure of getting cash in exchange for it. Isn't it a wonderful idea?"

"Yes, perhaps so, if everybody used them. But as you will be the only one to use them, you will be no better off than you were."

"You must give me an example of what you mean."

"Why do you go on wasting your time when you ought to be using it more wisely in starting your bank—either here in Brussels or elsewhere. The marvels of which you talk so much will never be visible to ordinary mortals."

"You are greatly mistaken. I intend—if it does not disturb you—to go to Paris without any delay and lay my proposal before the King of France. He is suffering greatly from "money-sickness." I waited for these counters before setting out. The Frenchman is an inquisitive creature. This last little device of mine will please and astonish him as well as rouse his wits. The thing to do in a place as large as Paris is to attract attention to oneself. Otherwise I shall know how to act. Do you agree to my starting off to-morrow? You will stay in

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Brussels. I shall not be away long and I shall return here for you."

He called a footman and sent him to order the best post-chaise to be had from the office in the Corn Market.

Law left Brussels early in January 1708. He travelled straight through to Paris, taking his meals and sleeping in the carriage. He stopped only to change horses. All that met his eyes from the window of his post-chaise struck him with grief and astonishment. The country seemed to be deserted and on all sides stretched wide fields lying waste. In the villages the peasants resembled dumb animals. They had corpse-like faces and expressionless eyes. The towns he drove through with his horses at a trot were as funereal as if the inhabitants' very souls were dead. It was a terrible thing to see the great Kingdom of France exhausted by wars and taxation.

The Scotsman was not in the least surprized to find the capital, which he did not know at all, lacking gaiety. The driver's cries echoed in dark empty streets and the carriage jolted along on the paving stones. He was taken to an inn which had been recommended to him and, while he was waiting for his room to be made ready for him, he wrote a note to Bourgeois, by the light of a torch, and called one of the footmen to take it at seven o'clock to the latter's address. Then he went to bed.

Bourgeois made his appearance at the Hotel Suisse on the following day and was at once received by Law. The two men had never met before and the agent made a good impression. He was short, simply but well dressed, and his intelligent eyes looked straight forward. He was a well-informed man, as well as capable, for he had worked for a long time with a banker. In answer to Law's inquiries concerning the war and the state

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of finances throughout the kingdom, he said that the dreadful condition in which everybody now found himself, after seven years of a murderous struggle, made peace desired on all sides; even the King wanted it. The treasury was empty and credit completely exhausted.

"There is a rumour going about," he whispered in Law's ear "that Mr. Ménager, the trade deputy from Rouen, is going to Holland to negotiate privately with the Stadtholder through one of his friends from Gouda."

Bourgeois paused for a little when he had said that, and then he continued, "I have been thinking about what you told me in your last letter from Brussels. I have often lent money to a certain young man and young woman, brother and sister from Toulon, both of whom lead a very wild life. The brother lives off the wife of one of the townspeople—a man who is simply mad from jealousy. The sister has a good figure and a delightful voice. For four or five hundred *louis* they would introduce you to Duclos, the famous actress who is devoted to young people and at whose house there is always high play. You are sure to meet gentlemen there through whom I am sure you will be able to reach the very people before whom you are anxious to lay your projects. The two I have in mind are the Chevalier de Sabran and his sister. You must be quick about it if you wish to avail yourself of their services. I believe that the police are watching them."

That evening John had a talk with this charming pair of adventurers. They were from a distinguished Provençal family. The brother and sister were most polite in their manner and addressed Law as "My Lord." At that time it was the fashion to give titles to foreigners. A rich butcher from Lausanne would be made a baron; a son of a Milanese fripper who dis-

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played jewels, a marquis; and all Germans who arrived in livery coaches would be dubbed counts.

The Scotsman and his gold counters made a great sensation at the house of Mlle. Duclos. She much admired the fine bearing and handsome face of the new gentleman.

The strong passion which he had for Catherine did not prevent Law from sleeping with the actress. That sort of adventure was of great assistance to a man who wished to get on in the world. He upheld his dignity by hiring splendid apartments and a new coach. A number of men in livery followed him everywhere he went. His display of dazzling luxury and his good-humoured smile inspired confidence everywhere.

He played at Poisson's in the rue Dauphine, at the table of Monasterol, envoy of the Elector of Bavaria, and at the house of the sister-in-law of a member of parliament, where there was always gambling going on, in spite of the fact that the police had closed the house three times.

Everything considered, it could not be truthfully said that no one in the country had money left. Immense sums of gold and silver were laid down in wagers. The frenzy for play which had ravaged Versailles, had now taken hold of the smart people in Paris who always imitated the court. A certain set of men had decided to follow the profession of gambling, at the expense of the provincials and in spite of the law. Lansquenet, basset, faro, dice, roulette—they were expert in all these games.

Although he was now in great demand at ducal mansions and the best clubs, where he occasionally could be seen, Law went every day to the Hotel de Gesvre where he made enough at cards to pay his heavy expenses.

One night, when he had been winning, several of his dis-

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solute companions, among whom was the Marquis of Effiat, persuaded him to go with them to a notorious house kept by a certain Madame Fillon. Madame Fillon was the foremost procuress in Paris and the cleverest at finding for her establishment girls who were well trained in the profession. When they arrived, the first person they saw was a little man wearing a black wig, surrounded by a group of tipsy young men and women. This man's full, ruddy face had a look of ease and grace about it which was surprising in anyone in such circumstances.

A droll, blond youth, as slim as a thread, whose ecclesiastical clothes both disguised him and accentuated his ludicrous appearance, was leaping over a table loaded with bottles. His face was pale, haggard, and almost disfigured, but his expression was intelligent and full of spirit. In a stuttering voice, the abbé, for such was his standing, began to sing to the tune of the *Joconde* pointing toward the man in the black wig:

*Cessez d'attaquer mon héros
Malheureuse cabale
Des gens qu'un indigne repos
Avilit et ravale.
Et quand vous parlerez de lui,
Du moins qu'il vous souvienn
Que Turin est l'oeuvre d'autrui
Et Léride la siennel*

The girls, shaking their heads, took up the chorus in plaintive voices:

*Et Lérida la siennel
Et Lérida la siennel*

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The hero whom the song defended, smiled, even though numb with wine, with an indulgent and exquisite lightness. As Law looked at him he realised that he was face to face with the actual hero of Lérída—that the song referred to the nephew of the King, His Royal Highness, the Duke of Orleans. Law made his most handsome bow and paid his respects to the prince in a few appropriate words.

The Prince, by this time slightly sobered by the noise, signed to him to sit down with the others, and at once ordered Du Bois, the abbé, to send for more wine.

His Royal Highness had heard people speak about Law, and about his skill as a gamester. In tones that were equally free from condescension and from familiarity he went on to ask about the famous counters. Law took one out of his bag and begged the Prince to examine it. The explanations which followed gave the newcomer an opportunity to outline his projects, which he did with his customary eloquence. The Duke of Orleans was eloquent and he admired eloquence and bright, inquiring minds in others. Without delay His Royal Highness accorded Law an audience for the next day, and then called out for Du Bois, who at that moment was pirouetting around one of the girls, and told him to inform the secretary what he had decided to do. Du Bois detested l'Abbé de Thésut, who had just recently secured the position he had schemed his hardest to obtain for himself. He pretended not to hear the duke, but his master gave him a kick in the rear which very quickly restored his sense of hearing.

The Duke of Orleans readily grasped all the points under discussion. To him the ideas which the Scotsman put forward for converting all the State debts into paper money seemed

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most ingenious. Here was a man who on his own responsibility offered to create the bank with his own money. He proposed, in exchange for the privilege which he hoped to obtain from the king, to give over to His Majesty three quarters of the income earned by the enterprise. It was therefore not avarice that was prompting his action. His only desire was to endow the kingdom with a wonderful and useful scheme by means similar to those from which several nations were already drawing profits.

The Duke then advised him to take his project to the Controller-General of Finance, Monsieur Chamillart, and he carried his kindness so far as to have a letter prepared for that minister which he gave to Law after he had graciously affixed his signature to it. His Royal Highness further informed him that, though, within the course of a few days he would be returning to the army, he had instructed Monsieur l'Abbé de Thésut to help him in every way during his absence.

Law was well satisfied with the results of his interview and went to Versailles to wait upon Monsieur Chamillart.

The aspect of those impressive buildings at Versailles, marshaled magnificently, filled him with something more overwhelming than admiration. There was surely no one on this earth who could equal in prestige the Pope, the Grand Turk, and the King of France. Adversity might strike the monarch, and turn his whole country into a hospital without rendering him unworthy of living in the finest palace in the whole world.

The conclusion Law arrived at concerning Monsieur Chamillart was less indulgent.

At first glance one rather guessed that the weight of such

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an important post was far too heavy for him and had crushed what little spirit the man had ever possessed. A perpetual swaying motion from side to side spoiled his otherwise affable and phlegmatic face. He was a first-rate billiard player, however, and it was billiards which had opened for him the road to fortune, though they had a contrary effect upon the fortunes of France. This was the man who had lately had the idea of overcoming the national deficit by taxing those who kept stacks of wood and those who inspected fresh and salt butter. He was badly prepared to follow Law's reasoning. He listened to the visitor with about the same degree of courtesy which he would have shown to a Chinaman explaining himself in Chinese, a language of which the minister was entirely ignorant. He promised to look at the papers which Law left with him and to see him again soon.

Law was not without hope when he quitted the office. No doubt he could see for himself that in 1708 France was in the same stage as that which England had attained in 1692 when, less advanced in matters relating to credit, she allowed herself to be devoured by ignorant financiers whose only distinguishing marks were wealth and absence of scruples.

Yet that was a state of affairs that must not go on. The brilliance of his theories was capable of dazzling even a blind man. He therefore did not doubt that M. Chamillart would finally understand them. It was now February. It seemed to him that it was quite within the realms of possibility that the bank might be actually in existence in June. That queer creature, the genius, occasionally amiable, often naïve and always dangerous when it is a matter of money, lives upon chimeras.

A few days later John hurried off to Brussels. He brought

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his wife and son back to Paris, where he installed them quickly in his fine apartments. The first day he rushed off with Catherine to the Comédie. He was now happy and sure of the future. On the following day he went again to the Palais-Royal.

The worthy Abbé de Thesut had some news for him. His master had already rejoined the army; and the king, acceding to the wishes of the duke, had just appointed a successor to Chamillart. This was Monsieur Desmarets, the nephew of Colbert, who had supported the former minister for some time past. They went together to see Desmarets.

Law liked the new controller better than Chamillart, though Desmarets certainly gave him a less friendly welcome.

"What proposal can you make, totally ignorant as you are of all our difficulties, that would be acceptable to us, Sir?" said he very angrily. "At the present moment there is not one sensible man in the whole country of France who would dare take over the administration of finance. At least he wouldn't unless he were forced to do so."

"I am a stranger in this country," replied Law as modest as ever, "and I will undertake to make this kingdom the most prosperous in Europe if only people will listen to what I tell them."

Desmarets spent one day on the preliminary discussion, which was followed by several others. Most of the stranger's ideas escaped the minister, but the practical results of the whole suggestion tempted him. To him it was but another expedient worth trying. Finally he said that he would mention it to the king. But His Majesty from the moment he knew that Law was a "heretic," held his hand up as a sign

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of refusal and would not listen any longer. For once he never wavered and Madame de Maintenon, seated in her armchair on the opposite side of the fireplace, did not even have to contribute a smile.

Law, who suspected a certain underhandedness in the obstinate character of Desmarets, was as much vexed at the announcement of Louis XIV's decision as by the unmistakable way in which the minister delivered it to him. He was even ready to change his religion but he did not say so. He wished first to consult Catherine in the matter, as she was really attached to her creed.

Law was scarcely inclined to consider such a question when he returned from Versailles. For Mrs. Law was in a state of nervous excitement which rendered her half inclined to burst into tears and half inclined to murder any one who came near her. Flushed with anger, she handed her husband a notification received from the chief of the Police, Monsieur d'Argenson, expressly commanding him to leave the kingdom within twenty-four hours and stating that he knew too much about the methods of gambling he had introduced into Paris.

Who was taking revenge upon him in this way? Was it that fop who had said such hateful things against him on the previous evening at the Hotel de Gesvres? Or was it not more likely Monsieur Desmarets, who had purposely forgotten to return him his papers?

Outraged at being treated in such a fashion, he hastened to the Palais Royal. The Abbé de Thésut was not there; neither was the rapacious Du Bois. He lost a little time waiting to see them, hurried back home, and then sent out for a post-chaise. Counting the hours which were still at his disposal,

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he made up his mind to be driven to Havre whence he would have no difficulty in embarking.

The whole family was packed into the carriage and started off.

Catherine, in a loud voice, reviled Monsieur d'Argenson, the king, Paris and all its vile inhabitants, and that nation of rascals which she had learnt to detest as a child and which deserved to be hated. When this was over, she didn't neglect John. He was a fool, a poor wretched creature who would end his days in prison. He had been in gaol once. Why hadn't he been hanged long ago? She called him an adventurer, and reproached herself for having been led away by all his plausible talk, and then, when she could invent nothing more to say, she accused him of speaking well and of being handsome.

This was said while she held her son most tenderly in her arms.

"If I speak well, you speak too much," said John calmly, with his eyes on the child. The boy was already seven years old.

Then she was exhausted and wept. He took her in his arms, said kind words to her, forgave her insults on account of her unhappy childhood, the misfortunes which her family had suffered, her immense pride and her lack of brains.

Law was suffering, too, but he did not show it. How unfair it was! There he was being hunted like a criminal out of a kingdom which he had been ready to make happy. Scotland did not want to have anything to do with him. England didn't . . . and now France!

"But nevertheless I am right," he growled to himself at Mantes, while the hostlers were changing the horses.

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Catherine, sunk in grief, turned a dry eye in his direction.

"Poor man," she said to herself. "How lucky it is that he knows how to win at gambling."

At Havre Law found that a vessel was just ready to sail to Genoa. Italy always pleased him more than any other land. He hurried to the ship's master, and it was while he was with him and while the clerk made out his account that Law wrote a final note to Desmarets in order to let him have his address at Genoa in case His Majesty should ever alter his mind.

CHAPTER SIX

For seven years Law wandered over Europe with his family and his hobby.

His family was increased by the birth of a daughter in 1712 who was named Mary Catherine. His pet system was broadened out by means of a project he had had in mind when he was in Brussels and which, by the time he reached Genoa, left nothing further to be desired. Undoubtedly, it was at sea that Law was most inspired by new ideas. This new idea was concerning the creation, behind the bank itself, of a powerful company which would be able to absorb the whole trade of the country to the profit of the prince as well as to the advantage of certain others. The two ideas linked together constituted what, in conversation, Law called his system. The logical mind of the Scotsman was soon convinced that France was the only country where he could apply it.

Ungrateful Scotland had rejected him; England threatened his freedom; the Empire was, in his opinion as in that of everybody else, in a very tottering condition; Spain, though the proud possessor of valuable mines, had practically no trade and no manufactures, and showed that she was unworthy of appreciating him. The only other remaining great state still at his disposal therefore, was France. Towards her his most compassionate heart was perpetually drawing him. It was not to be forgotten that France, too, had banished him! But Law wanted nothing from Desmaretz who, imitating Godolphin's example, forgot to answer the letter sent from Havre. Desmaretz was a trifler, who gave himself up to rogues and rebuffed his benefactor. Law came to a wise conclusion: "My system needs France," said he, "and France needs my system." This new fixed idea, in addition to the one he had

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already, never left his mind. All his efforts were henceforth in one direction.

At first, chance favoured him well. At Genoa, where he played for very high stakes and won on a corresponding scale, he became acquainted with the Prince de Conti, who enjoyed great popularity out of France and who was intimate with the heir-apparent, the Duke of Burgundy. Law plagued him with arguments, showered memoranda upon him which he implored him to deliver to His Highness, and then went off to Rome.

In his usual style he here cut something of a lordly figure, and won large sums of money while he was waiting for the carnival to begin. The people in Rome were in the habit of boasting a good deal about the carnival. It did not amount to much. For eight days, from two o'clock noon until sunset, the streets were crowded with maskers who were either on foot or driving in open carriages and throwing handfuls of sugared almonds in each others' faces.

Meanwhile Law had presented to the senator in charge of the city government, a plan which would restore its finances. The senator had thanked him and soon slipped the gift into a drawer. The Scotsman, who never accepted the first rebuff to his hopes, wrote to the senator on the eve of his departure, saying that he was going to Venice where he would await a reply.

Law took a palazzo in the City of the Doges and hastened to show the beauties of that interesting place to his wife. At St. Mark's he pointed out to her a particular square stone which was apparently a piece of white marble. It was said to be a fragment of the very rock from which Moses caused water to flow. He greatly wished to be present at the

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annual sailing forth of the *Bucentaur* (the State barge of Venice) which took place on Ascension Day at the marriage of the Doge and the sea. He told little John a great deal about it. The splendid vessel glided on its way surrounded by golden gondolas, four galleys, and two war-ships, while cannons thundered to the accompaniment of drums, trumpets and numbers of other instruments. Law never saw this beautiful sight again. He received a letter from Paris which compelled him to return to Genoa without a moment's delay. He departed alone, promising to return as soon as he could.

Bourgeois had just sent him two important pieces of news. The Prince de Conti had died in February. The heirs had found among his papers the famous papers from Law which they had placed in the keeping of Monsieur Desmarets. The Controller-General was now engaged in studying them. There was also another matter which occupied his attention.

Some ships sent out by the merchants of St. Malo had safely reached Paris carrying a valuable consignment of gold and silver bullion, valued at more than thirty millions. There were rumours that Monsieur Desmarets had persuaded the owners to hand over the bullion to the mint. Evidently the minister would take advantage of this abundance to order a general recoinage. And Bourgeois went on to explain the details of the operation, which was still a secret.

It was absolutely necessary for Law to be in Genoa. If Monsieur Desmarets, who now had Law's latest schemes in his possession, was anxious to carry them out and renounce this foolish expedient of recoinage, Law could reach France more quickly from Genoa than from Venice. If, on the other hand, Monsieur Desmarets could make nothing of the schemes and

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consequently proceeded with the recoinage, to the great delight of foreign speculators, among whom Law considered himself one of the foremost—Genoa was, everything taken into account, a really good base for his operations.

Once again the Controller-General behaved like an ass; the result was that Law swept in a million for himself. Part of this sum he placed in the St. George's Bank, the balance he sent to William.

This altogether unheard-of occurrence brought upon John the attention of the Genoese government and he was forthwith ordered to quit the Republic within twenty-four hours. He was very quickly back in Venice, to which he had already intended to return.

For the sake of passing the time—because he never doubted that, in spite of all these mishaps, France would soon recall him—he offered his invention to the Venetian Senate, by whose members it was completely disregarded, and wrote, in an attempt to make deaf men hear the truth, a new pamphlet intended for Scotland. The rest of his time he spent in gaming-houses without casting a glance at the courtesans. His mind was so completely absorbed by his system, that there was no room in it for any other idea. The touch of Don Juan which he had formerly had in him, had now disappeared, though outwardly he was just the same as ever. At intervals his old self would reappear as he cried: "I shall have France." And as he spoke his eyes had in them the lust of a lover. This, his last and most mastering passion, was his system, visualized as the realm of Louis XIV.

Law left Venice without writing to any one. He had too much sense to follow, at any price, a rôle which made him ridiculous.

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Law, very English on certain sides, thought he would like to go and see the Grand Duke at Florence. This bigoted old debauchee did not bother to put on clean linen or get out of bed to receive him. He wore no vest and smelt strongly of snuff. On a sideboard there was a silver wine-cooler containing bottles of wines and spirits.

It was also in Florence that Law met the drunken Grand Prior of Vendôme. This man lacked all piety, honour, morals, physical charm and to a great extent, honesty. He boasted of the acquaintances he had at court and offered Law his friendship. The Prior considered the loan of a fair-sized sum of money to be a satisfactory way of confirming this friendship. Law agreed with the best of grace. To Law it seemed as if he were thereby making a first gift to France, his beloved, absent mistress. He left the city soon after that.

He decided to go to Turin and ask an audience of Victor Amadeus. He found the Prince, an obstinate, pig-headed fellow, pleasant enough in appearance in spite of his swollen nose and his pockmarks. He was a proud and self-willed prince, too often infatuated with some woman whom he adored and whom he made thoroughly unhappy. He listened with the greatest attention to the Scotsman and answered, not without wit, that he would never adopt the system because he was not rich enough to be ruined. He overwhelmed Law with compliments. That was all.

Law remained some time longer in Turin with his wife and children. The winning of far too great a sum of money (in the loser's opinion) brought him an invitation to which he was beginning to feel quite accustomed: this was, that he should betake himself beyond the frontier within twenty-four hours.

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He now went into Germany, but he had no intention of getting the system taken up by any one of the three hundred and sixty courts and republics then constituting that country. What really attracted him was the honest stupidity of the German gamblers, who were all more or less like the count whom he had met long ago in Venice. He only hoped he would get enough out of them. With this aim in view he visited several of the States.

Brunswick Fair seemed to Law to be one of the most amusing sights in Germany. It drew a great many nobles and foreigners of all kinds. These were wont to be well received at the palace. If any one wished to be received by the Duke and Duchess he had to apply to the Chief Marshal, who offered him a bag filled with numbers. It was the custom to pair off the ladies and gentlemen by lot in order that there might be no disputes as to matters of precedence. Chance therefore controlled everything—seats at the dining-table as well as at the opera house. The one who drew the luckiest number in the morning was the one to open the ball after supper.

Law and his family then went on to Leipzig, and to Dresden, where they looked at the royal treasure placed in crystal caskets filled with diamond, emerald and sapphire ornaments. Forgetting for a moment his system, Law found the pale and fair-haired Saxon girls beautiful and gentle.

The travellers went to Weimar, too. The duke lived a somewhat solitary life in his castle of Bellevue. His society was limited to two ladies of high rank called maids of honour, three girls of lesser rank called chamber-maids and one officer of the guards. As his income was not more than four hundred thousand écus he was on the way to ruin through

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keeping up an army of no less than seven hundred infantry and nearly one hundred and eighty cavalry.

The tastes of the Duke of Gotha were totally different. He greatly enjoyed reading. On festive occasions supper was set out on card-tables with tablecloths on them. At nine o'clock, after having listened to some music, everybody went to bed. The food was better at the courts of the ecclesiastical Prince of Eisenach and the Bishop of Bamberg. For, in accordance with traditional etiquette in ecclesiastical courts, many delicious wines were drunk—and these were sometimes drunk even after their qualities could no longer be appreciated.

What cheered Law more than anything else during all his travels was the gold medal—what irony—which the Margrave of Anspach bestowed upon him.

When he left this serious little country, John, exasperated at the persistent folly shown by France, made straight for Vienna, intending to lay his proposals before the Emperor, who, people had said, was anxious to have a bank.

Vienna was perhaps the finest capital in Europe. One soon made acquaintances there. In a very short time Count Zinzendorff, Count Gundacker, Count Konigocik had made friends with Law who, in order to put himself on their level, made a great show of wealth and refurbished his wardrobe. People wore plain clothes in that city only upon ordinary occasions, that is to say, they never wore them, for on six or seven days a week there was some festivity going on. To make a gala occasion, nothing more was needed than the birthday of a government minister. What a pity it was that the women—and they were all beautiful—and did not paint and powder their faces—kissed so badly. It is quite true, they

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had other good qualities. They did not ruin their lovers and, by dint of persevering in their adventures, they often made them quite rich. For instance, one lady who wanted John to spend the night with her, lost, in deciding the matter, one thousand florins in gambling. The husband paid up and his wife saw nothing more of the Scotsman. The marvellous mathematician was worried about other things. . .

On bended knee Law had presented an outline of the bank to the emperor, who was a stout and rather friendly man. Charles IV had condescended to accept the book and to say a few words. Law had eagerly kissed his hand and withdrawn.

It was not long before the Chief Chamberlain informed him that the bank which the Emperor had in mind was not the one outlined by Law. So without waiting for the communication which generally followed on the original refusal, John quitted Vienna with his family.

They wandered in Hungary, they crossed Bavaria, and inevitably getting nearer to France, they at last reached the capital of the Duchy of Würtemberg where Mrs. Law, by this time thoroughly worn out, planned to rest. But she consented to pay her court to Mademoiselle de Gravenitz, the much loved mistress of the crown prince who, apart from this lady, knew no greater pleasure than to drive his own coaches through the town.

While they were here Law received another letter from Bourgeois who urged him to return to Paris. The king could not live very much longer. It would be wise for him to take advantage of such a favourable moment and return permanently to Paris. The bank stood the best possible chance of being welcomed now for everyone was at the very end of his resources.

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John decided to go as soon as possible and he easily persuaded Catherine to stay where she was until he knew for certain that he would not be expelled from France upon some specious excuse or other.

"Give up gambling," she advised him. "By going to France you are playing your last card. Do not forget that. I really refuse to lead such a life as this much longer. May God guide you on your way for my sake."

Absentmindedly he kissed her, as a husband might do upon leaving his wife for some other woman, and drove off in a chaise.

Before going to Paris he went to London in secret to draw out fifty thousand pounds sterling of the money in William's hands, with a view to the starting of the bank. He stayed a very short time.

"If you want other money, just ask me for it," said his brother, who went with him to the ship. "You know how I trust you."

"I have seventeen hundred thousand *livres* of my own. For the time being that is quite enough. Do think about obtaining my letters of pardon from His Majesty through some of our friends. I beg you to do so. If I could but hear no more of that stupid duel!"

Late in the summer of 1715, on the day after his arrival at Calais, Law was standing upon the steps leading to the royal palace. He was handsomer and more graceful than ever; as happy as a man just about to take into his arms the woman he had long loved.

PART TWO

N^o 31791A

MILLE livres Tournois.

LA BANQUE promet payer au Porteur à vue. MILLE
livres Tournois en Espèces d'Argent, valeur reçue. A Paris le
premier Janvier mil sept cens vingt.

Vu p.^r le S.^r Fenellon.

Signé p.^r le S.^r Bourgeon.

Fenellon

Bourgeon

Contrôlé p.^r le S.^r Durevel.

Durevel

CHAPTER ONE

Mrs. Law found her new apartments more encumbered with packing cases than furniture and filled with workmen busy painting the wainscoting, nailing up the hangings and arranging the pictures, bought in Italy and Germany, on the walls. Cold air from the main staircase blew in gusts into the rooms through the wide open doors. The children were playing on the landing upstairs. So much disorder and fuss upset Catherine and she went back into her own room where at least she could be comfortable. Queer notions floated beneath her fine brow as she looked thoughtfully out of the window.

How dismal it looked outside! No doubt the Place Louis le Grand (afterwards Place Vendôme) was a magnificent square with its statue of the late king on horseback in the middle of it. It was also the newest in Paris. But the whole appearance was spoiled by the fact that a number of the properties were still unsold and could show only their front-ages. The archways, and the open gaps into emptiness resembled the sunken eyes in the head of a corpse.

It was half past three. John was at that moment addressing the Council of Finance at the Tuileries. As usual he was bound to speak well. A slightly bitter smile was visible on her handsome mouth. Was he really going to succeed this time? If he did all the pieces of white marble in the city would not be more than he wanted for commemorating the wonderful date, October 24th, 1715. Was it foolish to indulge even in the mere hope? Such a scatterbrained fellow would never be good for much beyond rushing about in a post-chaise! Since he had become absorbed in this wild scheme he had actually treated her with insolence. Had she not been obliged when she arrived in Paris three days ago to wait nearly an hour

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for him at the place where they had last changed horses, simply because the regent had wanted to speak to him at the very last minute?

"A true gentleman behaves very differently, and never allows a wife of my position, and with her children, too, to be the laughing-stock of her servants—a courier, four footmen, and three maids."

John, who was always calm and full of kindness, had done all he could to appease her in telling her his startling news.

"If the king had not died, the bank would have been a certainty," he said. "I did not mention that in my letters because they were always opened by Monsieur d'Argenson, the Chief of Police. But it really was a certainty! Monsieur Desmarets assured me that it was. He approved of its principles. The public misfortunes have greatly softened his unpleasing character. The king was against my plan of placing the bank under a special government into which I wanted to introduce members of Parliament, members of the Court of Exchequer, of the Board of Excise, and of the mint. But, though I yielded on that point, I had my way in other directions. Then there was only the question of my religion: that would have been easily smoothed over. As you know, I went to Genoa. From there I sent one million to Bourgeois for the bank. When I was on the point of leaving there the news of the death of Louis XIV arrived. Carrying out my original intentions, I went to London again to see William and to conciliate those who had learned something of my secret. When one ventures upon such an immense enterprise, it is necessary to avoid antagonising people abroad."

"What sort of position are you in at the present moment?" asked Catherine.

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"I am getting things into working order. The regent is giving me his protection. I do a good deal of work with the Duke of Noailles, president of the Council of Finance, and with Monsieur Rouille, a queer drunken fellow who leads his chief by the nose and who, if he liked, *could* understand the whole matter. These gentlemen do not hide the fact that they are all delighted with my projects. The bank is a certainty. I am sure of it."

"Provided that the regent does not die in his turn," said Catherine teasingly.

"You always will meet trouble halfway, Catherine."

"And you invariably begin to rejoice too soon."

Catherine, continuing to brood at the window, called to mind the most frequent visitors at her new home, Bourgeois and Fénelon. The latter was the trade deputy from Bordeaux and had a strange-sounding accent and a natural enthusiasm. He also firmly believed that the bank was a certainty. He was willing to give all his time to it, and promised the help of his colleagues, and so added to the confidence of John who, recounted at meal-times to Catherine what the Duke of Noailles, Monsieur Amelot, and Monsieur d'Argenson had said to him.

"It was Monsieur d'Argenson who sent us out of the country so promptly once before," said his wife, who had not forgiven that experience of humiliation, which, alas! had been followed by so many more.

"That was nothing! A mere trifle," replied the Scotsman with a gesture of a man who needs more than that to dampen his ardour.

Catherine thought of the last three weeks. Ten times a day the coachman had been sent for. John was continually

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going to the Palais Royal or to see the Duke of Noailles who lived in the Rue Saint-Honoré, which was to the right as he came back from the palace and on the same side of the street. Amelot, d'Argenson, Fagon, de Baudry, and de Saint-Contest gathered there to hear what he had to say. Fénelon, merchants, and bankers also attended the meetings. Law himself came away from them delighted. Everybody had seemed to be perfectly satisfied with the account he had given them. If any doubt remained at all, it could only be as to whether the usefulness produced by carrying out his scheme would be great or not. At least that was what he had gathered from what the Duke of Noailles said to him. The Scotsman was never weary of repeating with persistent determination, as a proof of the impossibility of failure: "I shall keep to my promise of distributing five hundred thousand *livres* among the poor if we do not succeed." If, now and then, some Scotch or English words crept into his brilliantly clear explanations they made them no less convincing. By way of ending these accounts of events to his wife he always said: "The bank is a certainty."

"That we shall know this evening," she murmured to herself, and continued to gaze down upon the melancholy-looking Place Louis le Grand.

By dint of recalling all that had been said about John, and all the praise that had been bestowed upon him, she was inclined to reproach herself for being the only one without confidence in him: she now felt she was wrong, and a gleam of hope stirred within her. It would be a delightful thing to settle in one place! She made a grimace at the recollection of their never-ending wanderings. She never could think of them without feelings of disgust. Suddenly her heart began

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to throb violently. Yes, that was their coach coming towards the house. She went to see. She almost ran to the room which John had just entered.

One of the footmen was putting a log on the fire. The master of the house had just flung a portfolio onto the table and was handing his hat and sword to a servant.

"Well?" enquired Catherine anxiously.

"The bank has not taken shape," said John without a trace of emotion in his voice and seated himself in an arm-chair.

Catherine waited until the menservants had gone out of the room before she broke the silence.

"When are we to leave Paris? Towards what new land does your genius intend to lead us now? Is it to be Russia, China, or perhaps the moon?"

"Don't upset yourself! The bank did not get into shape to-day, but it is going to do so. There is nothing else to be done. My own confidence is not in the least shaken. In any case we shall stop where we are."

"Provided Monsieur d'Argenson does not think otherwise."

"You must forget that old story. Everything is quite different now. Though not so different as I thought it would be. Ah! these Frenchmen!" John sighed, and then continued. "They are so lively, and so impatient. They concern themselves only with their troubles without ever thinking about how they came about. They are unable to wait a single day to put matters right again. They would like everything put into perfect order in a minute when the disorder has been going on for several years. There is just something in their character which will again make them apply to quacks to

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help them, and quacks will merely increase the evil by violent remedies instead of by effecting a cure."

"You judge them wisely. But nothing hinders you from clinging to false hopes still. 'The bank is a certainty. The bank is a certainty!' Oh, dear!"

"They will have to be convinced. They will see that I am right in the end. I have just been talking to the regent, and that is what he says, too. He is a man of brains. Not only that, but he is my friend. So really, you see, things are not going so badly after all."

Such simplicity made Catherine so angry that she chose to fling one more insult at him before she left the room.

"Your friend! As a matter of fact it *is* said that the prince has miserable creatures among his acquaintances. . . ."

Law glanced sadly in the direction of the door as it was slammed, and took out of his portfolio the note-book which the easy-going Duke of Orléans had given him when they were alone in his little winter office, and which he made him promise to keep secret. It was a hastily written copy of the minutes of the meeting held by the Council and drawn up by that fool, La Vrilliere.

In His Royal Highness's opinion it was necessary for Law to know what had been said before he and the thirty merchants and bankers, who wished to hear the discussion upon the bank, came into the meeting as well as all that had been said after they left it.

Law, altogether absorbed, pushed aside the note-book and sprang from the chair.

He had just seen where he had been wrong.

"I was in too great a hurry," he muttered as he walked up and down the room. "And that is the late king's fault!"

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Devil take him notwithstanding the memorial service that was held yesterday at St. Denis! I was so much taken up with my object that I was too anxious to retain the ground I had already gained and did not take into account the fact that there had been changes in the Government. I was somewhat dazzled by the protection accorded me by the Duke of Orleans, too. I was wrong. I ought to have waited."

These remarks, made by a foreigner, were not without subtlety.

At that time France with her usual lightness of heart was entering upon a totally unknown phase. The death of the great king had been accepted by the mass of the people with feelings in which indifference and hatred were equally balanced. In their hearts all the people were weary of the reign which had dragged on so long, and caused them to endure so many monotonous hardships. They scarcely hoped that anything new might alleviate their distress.

It was more than a man that had gone. The gorgeous paraphernalia, which only he could support, crumbled to pieces about his corpse. Of all he had made, loved, and most set his heart upon, nothing at the end of two weeks was left. Madame de Maintenon hastened off to St. Cyr; Versailles, already deserted, seemed to have died too; the bastard sons of the late king betook themselves away from sight; the Duke of Orléans, who had been despised by his uncle and suspected by him of the most evil intentions, had not shaken off this contempt when he roused Parliament from its state of morose lethargy and forced it to break the absurd oath of making the Duke of Orléans only a nominal president of the Council of Regency, of which it had been made the depositary. Power, until now in the hands of the Jesuits, quietly

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melted away. The most violent enemy of Father Tellier, the Duke of Noailles, found he was offering the presidentship of the Council of Conscience to the former confessor of the king while others were asking him to retire as soon as possible. Efforts were made, as the public wished, to act in every way against the will of the late monarch. It was promised to the young king that he should go to Paris to let him see that none of the want of confidence felt for Louis XIV was extended to himself. In reply to his pressing and indiscreet invitations, kindly eyes were turned towards the usurper in England, and towards the poor Chevalier de Saint Georges, the old Pretender. On the other hand, people were looking, without confidence, to the "eternal ally" because Philip V shrewdly knew how to bring forward his own claim to the throne of France in opposition to the Duke of Orléans or any member of his family (if the little Louis XV happened to die).

Home affairs were no less in a state of confusion. The old Duke of Anjou had partisans among the supporters of the old court which was otherwise disunited.

The court nobility, whom the late king had employed only upon the battle-field, were clamouring for a share of offices.

The regent, isolated at Versailles, hated by the people on account of his vices, suspected of crime by the great and in great need of supporters, had so far given in to their wishes by instituting councils—and these were generally looked upon as a heritage from the Duke of Burgundy—in which lawyers and soldiers both took their part. Both parties had insisted on being paid or upon receiving a portion of the booty. The

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foolish and arrogant Marshal de Villeroy, and the ambitious Duke of Noailles, had together, before the appointed time, revealed the contents of the king's will to the Duke of Orléans and were reserving for themselves important places in the council as a reward for this lack of delicacy. The Duke of Noailles still hoped to become first minister in the Government.

In the midst of these unchained passions and struggles on all sides, the results of patient intrigues fostered by tricksters before the Regency came into power, what could the simple good-will of one man of genius do to save the finances of the nation? It was evident that this matter of finances and that of the maintenance of peace, should be the chief subjects of consideration for the new Government. But, as it often happened in France, little things came first. There was not a man who, proud of having at last obtained the position he had so long coveted, did not leisurely install himself without the slightest doubt that his marvellous abilities would soon be working miracles.

Law was right: he had come too soon.

"Let me just see what this miscellaneous assembly of dukes, marshals, commissioners, counsellors of State, members of Parliament, and the president of the council—all equally ignorant of the uses of cash and credit—have to say."

He sat before the table and turned over page after page of the note-book.

He quickly read the explanation of the theory prepared by Monsieur Fagon, a son of the late king's doctor, who had proposed his system to the council.

The aim of the bank is to have all the revenues of the king brought to the bank and to give to the receiver and

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farmers-general notes to the value and denomination of ten écus, one hundred écus, and one thousand écus, which from that date will be called bank-notes: which notes shall be taken by the aforesaid receivers and farmers-general to the Royal Treasury who will send them receipts in full therefor. All those to whom money is owed by the king are to receive only bank-notes at the treasury for which they may immediately receive full value at the bank, and no person shall be compelled to retain them, and likewise no person shall be compelled to accept them in business transactions.

But, Mr. Lass . . .

(With one stroke of his pen Law changed the double-s into w and then went on:)

. . . holds that the usefulness of this method will be so great that everybody will be delighted to have bank-notes rather than coin owing to the ease with which payments can be made with paper and by the assurance of receiving a full payment for it whenever desired. He adds that it will be impossible for there ever to be more money than there are notes because notes are to be made only as equivalents to the money holdings, and that by means of notes the expense of transporting money from one place to another will be avoided, to say nothing of the cost of additional clerks, the dangers of the road . . ."

"That is a fairly good summary," declared Law, "considering that he knew nothing at all about it before. Let me see about the thirty merchants. I was in the room then. Eight were in favour of the bank, one of them was neither for nor against it, and four gave me their reasons."

When the business men had withdrawn, His Royal Highness took count of the votes.

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"Here we are." Law stopped his finger at the first of the names.

The furrier (de La Houssaye) was of the opinion that the bank might be established by allowing some profit on notes for the sake of reputation.

"The silly fellow is confusing in his mind my paper-money with their own dirty notes which nobody wants. What else has he got to say?"

That the present occasion is not suitable and that it would be better to wait.

"Wait for what? Does he want to wait for confidence in the Government to be revived, as does his colleague Dodun? The fool ought to know that disorders are not remedied by reviving confidence. Confidence follows as a matter of course when money is plentiful just as mistrust is a result of its scarcity."

Monsieur de Saint-Contest . . .

"That man is a Commissioner, unless I am mistaken . . ."

. . . does not think that the bank will ever have much standing in the kingdom because credit is a necessity and France often lacks credit.

"Let them give me the special government which I suggested to the late king and I will guarantee its solidity whatever the ministry may do. What does the *maître des requêtes*, Gilbert de Voisins, say? He is wordy and very vague but ends by stating:

He will not lend his support, at the present moment, to any scheme not certain of success.

"Considering that I am offering five hundred thousand livres to the poor, I am certain of success. Monsieur de Gau-

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mont does not wish to take any risk; Monsieur de Baudry would prefer to wait. Ah! the Chief of Police was on my side."

"Monsieur d'Argenson looks upon the bank merely as a means of keeping the king's revenues in safety; he sees nothing against its establishment, provided always that its accounts are accurately kept, and he is of the opinion that this innocent method of reviving confidence might well be tried.

"He is a man of brains," remarked Law, "now and then he makes mistakes, but at great moments his qualities show up."

John recalled with delight the evil-looking eye, set in one of the least comely faces he had ever seen, with which the chief of police used to survey him so benignly during their meetings at the council . . . There had been moments when this made him rather uneasy.

Monsieur d'Effiat thinks that its establishment would be of use, but not at the present time as it would make money tighter than it is already.

"The old scamp!"

"His Grace the Duke of Noailles is sure that the bank would be useful, but that this is not the right time to start it, mistrust being general; and that the opposition on the part of business men, whose trust is indispensable, would bring it to smash.

"What does the fearless babbler mean?"

. . . in order to avoid further uncertainty, we had better state that—as from to-day—the bank shall not be formed."

The Scotsman stopped smiling and rising from his chair stamped his foot.

"Dissembler!" he shouted out.

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The duke had been simply making a fool of him all the time he had been rubbing his great fat red hands together. "I see nothing whatever against it," he had said to Law when they talked about the bank. Because he had retained a post in the office of Monsieur Desmarets, he thought he alone was the man to put the finances on a steady basis once more, with the help of that lout—Monsieur Ruille du Coudray. He ought to have told him that to his face. Well, perhaps not. All these preliminary speeches had some purpose. They were leading him, Law, towards the Finance Board in order to finish with him and his project by a point blank decision of that assembly which the president ran as he pleased.

Law was furious as he read through the declarations made by Monsieur Fagon and Monsieur Daguesseau. There were two questions that the attorney-general had rather slurred over.

Is the bank a useful institution in itself? It is proved to be not so.

"Proved to be not so, indeed! What can that miserable pedant prove?"

"Monsieur Le Blanc: agrees altogether with the opinion of the Duke of Noailles. Monsieur d'Ormesson, Monsieur Amelot: both completely in agreement with the Duke of Noailles. And Monsieur Pelletier des Forts. What was the good of reading the proposals made by that tipsy old Rouille?"

Law had almost forgotten the Marshal de Villeroy. As a matter of course he was also of the Duke's opinion. But that was not enough for the fool: he had to go and add a rattle-brained fabrication of his own! *that confidence could only be restored if revenues, and the affairs of the army were put in order first, followed later by the issue of paper money.*

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"That is exactly what such a man would say—a man who has been thoroughly beaten on every battle-field. Perhaps he was waiting for the enemy to come and restore confidence and reorganise the troops."

Law calmed himself before he read the regent's own decision.

"His Royal Highness stated that he was sure the bank would eventually come into being, but, after all he had heard, he was of the same opinion as was the Duke of Noailles."

The Scotsman ground his teeth. "So he is just like the others . . . That prince's character is too weak for anything. If I were the regent I should put all those fools who have spoken, but said nothing, in the Bastille."

He considered for a few moments, then he declared: "I shall keep to my own opinion. I am now a man of forty and a genius. I will save my ruined country and her unhappy people in spite of the fools. I shall speak to each of the members separately and to them all collectively. I shall persuade them to read my *Considerations*, I shall write more papers on the subject, I shall make things absolutely clear, and bring forward proofs. In the end they are bound to grasp it."

"Sir, supper is served," a servant came in to tell him.

"Yes," he answered absentmindedly. "I have been perfectly straightforward but they do not want to have anything to do with me. In future I shall be artful and try roundabout ways. The Duke of Noailles is my enemy so I shall overwhelm him with kind attentions. My coolness is what people in this country find so astounding and they never suspect that it leaves me when I am by myself. I must make the best show I can. There is but one sound system of finance and it is mine.

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I shall take every means to force these people to accept it. If necessary I shall lose my own fortune, but they have got to accept the system."

The footman, spurred by his mistress's impatience, again appeared, silent and timid. Law, jumping up, caught sight of him.

"Is it supper? Well, I am coming. Get me a light."

CHAPTER TWO

Towards the end of autumn in 1715 the workmen were at last leaving the mansion in Place Louis le Grand after putting it in proper order. The furniture, tapestries and pictures were all in place; the menservants were dressed in red livery, the stables well filled, and the coat-of-arms duly painted upon the carriages. The ground floor alone remained unused—for it was there that Law was hoping to start his bank when the time came.

To show that there was a difference between him and the ordinary sort of financier, for instance men such as Crozat, Bourvallais, and Villemarec, whose only aim was to enrich themselves and make a tremendous show, the Scotsman lived in a style which, while it was not below his dignity and standing, did nothing to scandalise any one.

Every morning at half-past seven the footmen in the vestibule saw Bourgeois come in. He arrived on foot, and he had just the correct and very serious manner which a poor man whose business was concerned with finance ought to have.

Law had the greatest respect for him. He made him responsible for knowing all about forms, postponed payments of bills, the means of avoiding fraudulent imitations, forgeries, and other little details. He even asked his assistance in the choice of a word to use in his writings, though in this matter he really preferred to consult the learned Charles Chesneau, Sieur du Marsais, whom he had recently engaged to be his son's tutor.

As the regent required a summary giving the salient points of every speech he made, Law had a great deal of writing to do.

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Since the important council meeting of the 24th of October, they had had a long discussion together away from the Palais-Royal, and this had been followed by several conferences.

Law kept to his original plan of having a royal bank. In his opinion the sovereign's protection would render the establishment of the bank more solid and consequently less likely to be affected by events which might endanger its credit.

"The credit that I propose to establish will be different in its nature from the kinds of credit now in general use: it will be suited to this monarchy and the present state of affairs." Law was careful to explain to his Royal Highness.

He had no doubt at all that the greatest credit systems in Europe would be governed after this model as soon as they would have been able to profit from the lessons they learned from his important project.

There were times when the Duke of Orléans smiled at seeing him so ardent.

"I am no dreamer," proclaimed Law. "It is thanks to long application to the matter, and to a touch of genius that I have been able to distinguish the truth from what is false. Everybody knows that I am the only man who depends upon correct principles. Therefore, my name will not injure the bank; quite the contrary. I have the honour of being known to all the foreign governments and I will venture to say that when it is once known by them that it is I who have started this project and that it is I who am directing it, they will be much more favourably disposed towards the undertaking than if some one else had undertaken it. If Your Royal Highness would prefer it—I will pay the expense of starting the bank myself out of my own small fortune. Far

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from having any idea of defrauding Your Majesty or the State—such views could be harboured only by a narrow mind, and mine is not that—Your Majesty will be empowered to propose inspectors who will know what I am doing. I offer to give up my share of the profits for the purpose of giving Paris an exchange. I intend to buy the Hotel Soissons for that purpose as it seems to me a suitable location. A fine city like Paris should have an exchange.

Law lowered his voice, and, drawing his chair closer to the armchair in which the Duke of Orléans was sitting, he added mysteriously:

“Your Royal Highness will remember that, one day at Marley, you did me the honour to say that through the openings which I have made you began to see beyond the difficulties of the country. I then had the honour to say that the bank was not the most important of my ideas, but that I had a plan by which I would furnish five hundred millions which should cost the people nothing. Only let this bank, which is the true basis of power in the state, once be started, and I shall produce a work which, by the changes it brings about in favour of France, must astonish the whole of Europe. They will be changes more far-reaching than those resulting from the discovery of America or from the introduction of the credit system. This is what I say: France from that moment will become the retreat of the happy and the asylum of the unfortunate. You will have 300,000 men on land, 300 vessels on the seas, a population of 30 millions, a general revenue of 3,000 millions, while the revenue for the king will have risen to 300 millions. And the country will be held in respect by its enemies; for the surest way of preserving peace is to be in a position to wage war.”

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The Duke of Orléans no longer smiled. He was, genuinely astounded.

"What do I ask for in exchange?" said Law with emphasis. "That Your Royal Highness uphold me against the king's enemies, private jealousy, and private interest, so that I shall be able to work for the profit of the State and with honour to myself: the more service I give the more I expect to meet with opposition. Your Royal Highness need not trouble about success. It is not the best comedian who plays the greatest part, but the one who plays best."

Law rose deferentially from his chair to say, much in the tone an ambassador would use when making a declaration of war:

"I further propose to force the Bank of England to lessen the quantity of notes it issues and to increase its cash currency, otherwise it may risk some loss of credit."

There was a slight ring of hatred in his voice. A man who is certain of being in the right never forgives those who consider him to be wrong.

"Your Royal Highness desires the people's happiness?"

"My life has no other object than to secure it, and to hand the kingdom over to the king, when he comes of age, in a better state than that in which I found it."

"The only means of succeeding, if your Royal Highness will most graciously condescend to allow me permission to say so, is to have the bank."

The Duke of Orléans gnawed his finger-nails and gave no reply. He was already convinced of the usefulness of the plan and won over by the author's beautiful theories. But his natural want of resolution prevented him from forcing the hands of those who were opposing the Scotsman. He

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was so anxious to conciliate everybody that he was unable to support any one man. The Duke of Saint-Simon, his intimate friend, said that since the days of Louis le Debonnaire there had never been a man more *debonnaire* than he.

In order to lead him on, Law was on the point of comparing him with Henry IV, for, according to the Abbé du Bois (whom Law sometimes went to watch take his supper of a cup of milk in his wretched little apartment up under the roof) that was the only way truly to flatter the regent. But he did not dare pay him this compliment. Prudently, he noticed the silence of the pleasant little prince, whose mind was wonderfully broad and who was the possessor of any number of good qualities but not the one of being able to turn them to good account.

The Duke of Orléans was as well able to lead armies and to conduct affairs of state as he was fitted to paint pictures, compose music, and even to dabble in chemistry. He had an extraordinary memory. He had merely to turn over the pages of any book and he would know more about it than the man who had spent hours in reading it through.

Unfortunately his soul was not worth his brain. It was said that he was full of every normal vice. He loved women in his own coarse way, wine—in large quantities—(one glass of which was enough to make him drunk)—and his daughter in a way a father should not, even if his enemies' accusations are not accepted. Moreover, he was abominably impious and mocked God and had desired to converse with Satan. He had even been seen to play the part of a drunkard in very strange company in performances at Issy: this was surprising. Nevertheless and in spite of these weaknesses, these defects, these imperfections, and the incredible softness of his character, the

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Duke of Orléans had one merit, perhaps the greatest there is: he possessed a sense of honour.

It was that sense of honour that had made him stand out against the bastard sons of Louis XIV, not without some clumsy timidity, and had made him, full of good will, seize the power at once. It had also stopped him from forgetting that a man's habits of debauchery must not involve a prince's secrets. He possessed, in short, another gift that Law greatly appreciated: he was easily pleased. The Scotsman loved him, he was charmed by the other's charms, and also because the Duke had been the only one who had understood him without rebuffing him, and most of all because he represented France, so dear to that foreign heart.

At every stage made in the proceedings the Duke always dismissed the financier with a word of encouragement spoken in a pleasant voice which changed only by drunkenness. His Royal Highness promised to remain on his side; the bank would soon be started, yes, soon; something would have to be said to the opponents. But the Duke of Noailles must be left free to act as the perfect courtier he was, and before whom His Royal Highness himself sometimes gave way.

All through the winter, which was extremely cold, Law was not without opportunities of amusement or of exasperation. The matter that entertained him more than anything was the bank scheme adopted by His Imperial Majesty which his correspondent in Vienna wrote to him about.

"Legitimation, contribution, assignation! What verbiage! Whoever has instituted that bank knows nothing about it. I swear to you, Catherine, that with one quarter of the privileges and advantages which the Emperor has accorded to that

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ridiculous affair I would undertake to furnish this country with longer credit than they have either in England or in Holland."

"You must devote all of your energy to succeeding in this kingdom, instead of criticising any other," replied his wife. "For the last few weeks I have seen you in suspense, and that is all I have seen. While you are jeering in this way, Monsieur the Duke of Noailles is working hard."

"He ought to be kept in his proper place. He is a solid body plus an incapable mind, both inaccessible to true principles. When he is not talking some sort of nonsense he is wasting paper and driving his secretaries frantic—for they always have to rewrite his reports. It is a mere pretence that he works. I look upon him as a low sort of wire-puller whose vanity is just about equalled by his repulsive falseness. I flatter him but I hate him. In what has he succeeded? Nothing at all. Take the *visa* for instance."

"John, these questions bore me. I am going to see the children. Do think of them when you are rushing after your shadows. In a few years' time they will be old enough to take their own places in the world, and you are getting on in years. Do not risk your money in any foolish adventures."

"I have no fear whatever concerning the future. The day will come when their father will be looked upon as the equal of the greatest kings."

"Do not talk such nonsense and do not bring them to misery."

"But listen to me . . . Ah! she has gone. The Duke of Noailles," he continued, speaking to himself, "is a perfect fool who knows nothing about credit and currency. Monsieur Desmarests, whom that ungrateful and selfish master has dis-

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missed, declared to me reasonably enough last week that everything went on well, or rather went badly, during the war, but that no one kept accounts."

It was when peace was made and extraordinary expenses were at an end, that the whole state of the disorder in which the government stood was apparent, but it was not equally apparent where there were resources by which she might be liberated. The government had been living upon loans. Taking advantage of the surprising credulity of the public it had drawn in the people's money in exchange for worthless paper-money which went by different names in order the more to deceive. Upon the death of the late king, this floating debt which was due for immediate payment had risen to 700 millions. There were but several hundred thousand livres available in cash to meet it. What had the Duke of Noailles done?

Law shrugged his shoulders. Instead of removing that immense quantity of paper-money, which would necessarily give back value to money, the ignorant president of the Council of Finance had originated the idea of ordering in December the visa, or examination of State liabilities by a committee with full power of quashing claims. The bearers of these claims were to receive for their 700 millions of bad paper-money, 190 millions of State notes at 4% interest. Though at first reputed to be excellent this new paper issue had almost immediately lost 40% of its value.

"That's a good way of doing it!" said Law. "They have certainly reduced the debt. But the nation is ruined. Next, the Duke of Noailles turned his attention to the taxpayer—the most tractable creature in the world. When he thought he had suppressed revenues upon the Hotel de Ville by one

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stroke of the pen, he drew back and was satisfied by greatly reducing the interest. One could not help laughing when one knew that this was the same man who, at the beginning of the regency, had been indignant and angry against the Duke of Saint-Simon for proposing, in order to save time, another and equally stupid solution, namely to declare that the king and his subjects were quits. The president of the Council of Finance had noisily rejected total bankruptcy in order to realise a state of partial bankruptcy on the quiet. Oh, what fine promises men made when they were doing their utmost to get power into their hands! 'No one will ever touch specie again, swore the Duke of Noailles, laying his hand on his heart. On the 24th of December he raised *louis d'or* from 14 to 16 livres, *écus* from 3 to 4 livres. What was it that the messengers of Noailles shouted out along the road from Versailles in order to put him in a good light with the people? 'We shall have less taxes to pay.' And, now, there they were—paying ten times as much.

"There were some people who said that the Duke of Noailles had carried out a few wise measures of economy. He had re-organized eight hundred guardsmen and reduced the musketeers to half their number. He had suppressed the office of the controller of wigs . . . and other such absurd institutions. I do not altogether disapprove of the man. But he ought to do more than retrench in the matter of expenditure: he must guarantee receipts. Spring is just coming; the regency has been in existence for six months; and the treasury is still empty. I see well enough the direction in which these men with their faulty principles are making their way. There is the decree issued by the Council of State, dated November the 4th, compelling the farmers-general, their sub-contractors,

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and assistants to furnish accounts of their administration of funds. They will not do it properly. The Duke of Noailles told me: 'I shall obtain the money; wherever it happens to be I shall go and take it.' The poor man does not know that money, the moment it is thus attacked, is either hidden or flies away."

After dinner on March the 12th, 1716, Law, as any good foreigner might be, was curious to witness the queer sight which was the general topic of conversation in Paris. It was the day when Monsieur and Madame de Montrival were to be publicly flogged by the hangman. He had much wanted Catherine to go with him, but the all too modest English-woman had protested. These two members of the lesser nobility had made their house into a place of revelry for the encouragement of vice. The Prince de Conti, the son of the Prince whom Law had formerly known in Genoa, raised a complaint against the house for reasons of his own, and the owners of the house were put under arrest.

John saw them taken through the city fastened to the back of a cart; stripped to the waist, and each wearing a straw hat. His neighbour Crozat, the richest man in Paris, was also there to look on at this pleasing sight. Law was acquainted with him and went up to ask what the straw hat meant.

"It is the custom," answered the amiable financier.

Then together they worked up feelings of indignation upon the really appalling state morals were in.

"Do you remember M. Duchauffour? The business man? That cripple loved, as he would a woman, a well-known artist whom I have occasionally met at the home of M. Gersaint. His name is Ne . . . No . . . Natier. He has gone entirely

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to the dogs. And there were any number of students, too, who used to go to the Montrivals'—it was a veritable den of degenerates."

"When I was a young man, I was very fond of women, but only of women," said Law. "Unnatural practices were disgusting to me and, by their nature and frequency, torturing to a philosopher. Well let us leave the matter at that. Let us change the subject. There is our neighbour Bourvallais, the tax-collector, actually in the Bastille. Rich men are certainly going to be made to pay. That will produce little and bring about a great deal of disorder."

"That is what I think, too. I can give you a piece of news. In a day or two a Chamber of Justice will be formed for the purpose of inquiring into, so the text of the decree runs, 'abuses and crimes wrought by any one whomsoever and in matters of finance, to inflict upon any such persons corporal and pecuniary punishments, confiscation, imprisonment, death.'"

"That operation is not based upon true principles. It will merely amuse the nation and arouse the people's basest sentiments. Envy makes them rejoice to see vast fortunes probed and taxed. But profit is not for them or indeed for anybody. A good sound bank with me to manage it would be by far the best thing."

"You are still wrapped up in your scheme," said Crozat, smiling. "Believe what an experienced man tells you: you will not succeed."

"Evidently," growled Law, when he was back again in his coach, "he is afraid that the bank would end his little tricks. I am inclined to think that the decree must be making him uneasy too, although he has so many powerful protectors."

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The Scotsman had contempt for the men in business who were not satisfied with the profit allowed them by the king and who increased their gains by money-lending, speculation, and similar unworthy schemes. Such men were lacking both in questions of conscience and in knowledge. In his opinion the measure taken against them was no better than their own. In private instances, theft may answer well enough, but it is of no use whatever to the State. Money, argued Law, plays in the State the same part that the blood plays in the human body. The moment its course is checked it can no longer carry on its true function which is to circulate, and the endless consequences affecting the public are fatal.

One morning Catherine called John to the window with the merry ill-nature of women. Police officers were roughly turning Madame Bourvallas out of her house in the Place Louis le Grand, and taking everything except some under-linen. A crowd had collected and shouted with delight; and they shouted still more when they saw the silver plate which had belonged to the tax-collector now on its way to the mint to be broken up.

That was the beginning of the great financial inquiry. More and more decrees were issued. Contractors were forbidden to leave their homes, postmasters were forbidden to hire out post-chaises and horses without permission signed by the Marquis de Torcy, and goldsmiths were forbidden to buy anything made of gold or of silver. It was not long before vile edicts authorised everybody, even servants, to denounce the rich and allowed them to share in the confiscations. And that was not the worst. Subjects were forbidden, under pain of death, to say anything against those who denounced.

Men betrayed their masters, their friends, their fathers even,

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and held out their hands for payment. The police looked into everything; the cellars, the underground rooms, the floorings. They went so far as to undo the lining of people's coats. There were plenty of condemnations going on at the Chamber of Justice. For the sake of mere amusement some were subjected to torture, some were sent to serve on the galleys, while others were handed over to the hangman. Certain of the contractors were so frightened that they flung themselves into the Seine, and a good many went out of their minds. Day after day the unfortunate and ridiculous Bourvallais was taken before the judges who regaled themselves, under his very nose, with his finest wines placed on the table in his silver cases which had also been removed from the Place Louis le Grand.

Money, being the bone of contention, looked after itself or escaped altogether. There were well-paid intermediaries between the victims and those in authority by this time. In Alsace, near the frontier, a large consignment of wines was discovered, each huge cask of which contained a smaller one filled with solid cash. In other instances, quantities of gold and silver were hidden in cart-loads of straw. The amounts of money which did eventually reach the treasury were quickly wasted, for the government—ignorant and simple as it was—believed that the funds held by the tax-farmers were inexhaustible.

The Duke of Noailles was proud of what he had done and hired artists to commemorate his work and make him more popular. In the streets men were selling prints representing Justice and Death seated upon human bodies from which streamed forth a torrent of gold.

Public morality was bound to be injured by a series of such

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blows. Villainy had become so much a matter of course that it dared even approach the steps of the throne itself. The performances of *Athalie* had to be interrupted because the play contained too many malicious allusions to the regent who, thanks to the artful manœuvres of Villeroy, was accused of wanting to poison the young King, Louis XV. The time was far distant when the president of the parliament, with equal excess in a different direction, compared the Duke of Orléans with an angel. Everything was changing in the minds of the mass of the population. Some predicted a new France. Two men who were of that way of thinking kept cool through all these disturbances, for it is only a man possessed of a fixed idea who has strength at such periods. Du Bois had set his mind on being made a cardinal, and Law wanted the bank.

Delighted at the check which the cowardly Chevalier de Saint-Georges, who had landed at Gravelines, had met and which had definitely lost him the crown, the abbé wrote to Stanhope, then Secretary of State, with the idea of meeting him and the old protector Heinsius in Holland and arranging an alliance with the former enemy—England.

At the same time Law renewed his attack by making a new proposal which seemed to him likely to suit the taste the regent had for his ideas and allay the suspicions of the Duke of Noailles.

He now proposed to institute, entirely by his own means, a bank differing from the one he had originally proposed only in its being a general bank and not a royal bank, and, as payment for shares to the value of 5,000 livres, to demand only one quarter in specie and the remainder in State notes. By this clever method he would be making up the defi-

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ciency of a very bad paper currency and relieving the minister of finance of a portion of it.

The Duke of Noailles, still upon his dignity, began to expatiate upon the thanklessness of the task which only his own fatuity had made him assume. Law overwhelmed him with attentions, entreaties and promises.

"Well, then! let it be so!" said the Duke at last. "Bring me your scheme—I will support it."

In one conference the three men, including the regent, arranged the final details.

Law was simply mad with joy, pride, and astonishment when he returned to his home in the Place Louis le Grand that evening.

"The bank is a certainty," said he to Catherine.

She seemed to be quite unconcerned. She had heard that phrase at least a thousand times before. Such coldness made her husband impatient.

"It is made now, once and for all," he assured her. "At last we have the bank. At last it is really a certainty. I am willing to have my head cut off if I am not right in what I say. A new financial board has been formed and every member agrees with me. It has cost me something, perhaps a great deal, but its success is assured. The bank exists. For proof—to-morrow I am making the agreement with the Duke of Noailles and other gentlemen; you can ask them about it. The bank *is* a certainty. I am delighted! Monsieur d'Argenson will be at the supper too. He is so ugly, he will frighten you. The bank is a certainty. Are you convinced?"

"I shall not be convinced until the decrees are actually signed."

"You will not have long to wait."

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He kissed her gaily, and then he sank down in a chair and sighed:

“What a tremendous amount of trouble has to be taken, and what frightful spectacles have to be witnessed before wisdom can carry the day in this very strange country!”

CHAPTER THREE

The bank was easily carried through by the higher Council of Finance. Law found that there was no better way of bringing members over to his way of thinking than by making gold ring in their ears. Objections were few, short, and weak. There was only the Marshal Villeroy, who was always opposed to the Duke of Orléans—with or without reason—who felt called upon to read out a few lines against the proposal after having put on his spectacles. But no one listened to him. He only made the Duke of Noailles, who had once been so opposed to it, the more amenable.

Next, the bank question had to be laid before the Council of the Regency. It would never do for it to fail there. The Duke of Orléans, who depended entirely upon Law's abilities, was most careful to instruct each member privately. He saw his brothers-in-law, the Duke of Maine and the Count of Toulouse, the Marshal Harcourt, Marshal de Besons, Voysin the Chancellor, the former bishop of Troyes, and the Marquis de Torcy. With the exception of Saint-Simon, they were all more or less won over.

Saint-Simon a thin, yellow-faced fellow, the soul of rectitude, torn by the passions of scorn and hatred, whose eyes were as expressive as his tongue and who was a prolific writer of what no one could doubt to be the truth, having heard his friend explain the bank thoroughly, answered as follows:

"I have never concealed from you, Sir, either my ignorance or my distaste for everything concerned with finance. Nevertheless it seems to me that what you have just explained is good in itself, in so far as without taxation, without any expense, without harming or embarrassing anybody, the avail-

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able currency will all at once be doubled by the notes issued by this bank and at the same time made easily portable. But against this one advantage I find two disadvantages. The first is the difficulty of directing the bank with sufficient foresight and wisdom to make no more than the necessary number of notes required to face and pay those who demand cash for the notes they hold. The other disadvantage is that what is an excellent thing in a republic or in a monarchy such as England, where finance is in the hands of the nation, is a pernicious thing in an absolute monarchy, such as France, where the needs of a badly conducted war, the greed of a highly placed minister or favourite, or mistress, a craving for luxury, foolish expenditure, a king's extravagance, would very soon exhaust a bank and ruin those holding notes; in other words, ruin the whole nation."

Saint-Simon, standing erect upon his short legs, gave the regent time to acknowledge the truth of what he said, but argued with him a long time when the prince tried to prove, by means of all kinds of good reasons, that the chief objection need not be feared.

He did not change his mind. In fact he went into the matter in even greater detail at the regency council meeting when his turn came to give his opinion before making his declaration. With a disagreeable glance at Villeroy who was still going over in his own mind the unpleasant words he had written on the paper the other day, he ended:

"I have decided to reject the bank as being, in a country under absolute monarchical government, the worst thing possible. In a free country it would, no doubt, be a most wise and beneficial institution."

As was often the case, the minority was on his side. The

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bank was carried by the Council of the Regency as it had already been passed by the Council of Finance.

"You must give me six months," John had told Catherine towards the end of October.

It was now the 2nd of May, 1716. He had been able to carry the matter through within the time. He had reason to rejoice. The rule of management which he had prepared was accepted entirely in spite of the fact that it contained a few striking new features.

The bank was a private bank of both deposit and account. It undertook never to borrow on interest and never to trade on its holdings. It also undertook the care of individual accounts, both receiving and paying out money for them—and making these payments either in cash or by transferring the amount from one account to another at a charge of 5 bank sous for 1 thousand écus.

The bank obtained a twenty-year franchise and the power of fixing the value of its own notes in *écus de Banque*, so that they should be free from the ordinary fluctuations of the money-market.

The establishment which took the name *Banque Générale* was started with a capital of six million livres, represented by twelve hundred shares of five thousand livres each, payable in four installments. The semi-annual dividends paid to the shareholders were decided upon by the general meeting held twice a year at the bank. Everything was to be settled by ballot. Five shares entitled the holder to one vote, ten shares to two votes and so on.

His Royal Highness had agreed to honour the bank by taking the title of its protector.

With the object of making the undertaking more secure,

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Law, as a good Scotsman who trusted the undertaking, was very anxious for the French Parliament to grant the bank its letters patent. Consequently the Duke of Noailles forwarded them on May 3rd to the president and to the Attorney-General asking that they be registered without delay.

The Parliament did not return the letters patent until the 22nd, after they had been written for, and even then did not forget humbly to entreat the king to order that the aforesaid Law might not have the bank without becoming a French subject, if it pleased His Majesty to allow him that privilege. Within three days this was duly carried out.

"Now you are a French subject," said Catherine bitterly.

"You always attach so much importance to trifles!" said Law, and turning to a footman he asked if Monsieur Fénelon, Monsieur Bourgeois and the others had arrived.

While the lawyers had been busy with their papers and documents Law had not been wasting his time.

It had been pointed out to him that the Place Louis le Grand was a long way from the business quarters of Paris and that it would be better to have the bank offices in either Rue des Lombardes or Rue Quincampoix, or somewhere in that neighbourhood. He had given up his first idea of having the bank on the ground-floor of his own house. And, being a man of plans and ideas, he begged Charles Chesneau to collect for him a library of several thousand volumes—rather like that of the Duke of Noailles—to be put in the empty rooms.

For the offices of the bank Law had chosen the Hotel de Mesmes in the Rue Saint-Avoix. The owner asked a good price, but the house was in a good locality.

Law had to go and see the house now with Fénelon, Bour-

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geois, Vernezobre, Poterat, Rauly, and Du Revest. All of them were to be officials in the bank. Vernezobre, of Prussian origin, was good at bookkeeping for he had been a broker in paper money and had been reduced to a state of destitution by the *visa*. Bourgeois had brought him to Law. Law had met Du Revest at the Palais-Royal. Poterat and Rauly had come to him through recommendations.

As he went over the house, Law decided what the rooms were to be used for. "In this room we shall keep the ordinary safe. The four cashiers shall sit in front. At the back there will be the head clerk at a desk, so that he can manage and direct the others, and he will also have the register of signatures by means of which he will be able to recognise forgeries in case they should be presented. You, Du Revest, are to have that place."

"You said ordinary safe just now," said Vernezobre rather heavily, "are there going to be two kinds of safe?"

"Allow me to explain the working of this establishment. Otherwise we shall all get into a muddle. I am the director. I have three inspectors by me, and they will see what I am doing. The chief of the inspectors is Monsieur Fénelon, trade deputy from Bordeaux. I shall have two clerks to work for me. You, Vernezobre, are to be the second of them. The treasurer, Monsieur Bourgeois, will be the chief of the four cashiers. I intend two of these places to be filled by Poterat and Rauly. The accounts are to be kept—by double entry in the way the Italians do—by two accountants. And that is all so far as the officials are concerned. The rest of the staff will be the servants and the porter. Now I come to the question you asked, Vernezobre. I mean by ordinary safe the one which will contain all the specie and the notes, and to which Monsieur

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Fénelon, Bourgeois and I shall each have a key. To begin with we are going to make notes to the total value of ten millions, in denominations of ten, one hundred, or one thousand écus. While we are talking about that, have you heard from Monsieur de Launay, Bourgeois? Monsieur de La Vrilliere wrote to him on the 4th of May and I am still waiting for the stamping machine."

"The director of the mint told me that he would deliver it to-morrow."

"Good. And you have the seal?"

"I have it here," said the treasurer, and took it out of his pocket.

"May I look at it?" asked Fénelon.

"It is very simple," said Law, "a woman standing holding up a cornucopia, and the words: *Rétablissement du credit*. It will be used for sealing every note without wax."

Law turned round to speak to the Prussian.

"Suppose now that I have my ten millions of notes. Of these I place nine millions 700,000 livres with the seal and the engraved plates in the strong-boxes in the ordinary safe. I hand the remaining 300,000 livres worth of notes over to the treasurer, and he gives 25,000 livres out of it to each of the cashiers. As need arises Bourgeois will pay them the equivalent value in specie. That seems to me a very good arrangement."

"And what about transfer books?" asked the man from Bordeaux.

"So far, I do not see that we need them. We must allow a little time for merchants to satisfy themselves as to the security of the whole affair. You must not forget that nobody in this country knows exactly what a bank that is based upon true principles, is."

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Law gallantly offered Catherine the first note marked by de Launay's machine which Bourgeois, Fénelon and Du Revest had signed, endorsed and checked.

La banque promet de payer au porteur à vue la somme de mille écus en espèces du poids et du titre de ce jour, valeur reçue à Paris, le. . . .

Catherine looked dreamily at the small piece of white paper, bearing these words on it in black, which she had heard spoken of every morning and every evening for the last fifteen years. She gently took John by the hand and looked at him. He was smiling as if he were a child. He had attained his object, which she had always despaired of ever seeing him do. She forgot everything, the aimless wanderings abroad, the humiliations, their troubles. She gazed at him with renewed tenderness. He had really changed very little since the days when they were in Edinburgh, and in London. His face was as charming as ever, and his gentle intelligent eyes had not altered, either. As for his slight stoutness it did not spoil his grace. For the first time she really admired him and told him so.

"I recognized your worth, but I did not think you were quite all you said you were."

Though he was still smiling he had become a little more serious. He kissed her passionately on the forehead. It was she who had been with him through thick and thin, and it was since he had known her that he had started the system. He leaned towards Catherine's ear so that his eyebrows lightly brushed the birth-mark and whispered:

"You are the great love of my life."

A man of forty-five does not say a thing like that lightly.

Their moment of emotion past, Catherine asked in her

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ordinary tone of voice whether the arrangements at the Hotel de Mesme were making good progress. She was not pleased that, for the time being the business of the bank was to be carried on in Law's home. They had not yet carried on any business, but the subscriptions had been opened there the day before and the people who had been there had caused some little stir in the house.

Law had subscribed a large sum of money: so had William. They were already in possession of the majority of votes. But Law was anxious to have other shareholders. The regent, with whom the Chamber of Justice was not concerned, took steps toward finding them by confiding to the financiers that he would like to see them subscribe to the bank. Most of them were willing to take the risk when they were thus approached. Owing to the regent, therefore, the rush for shares was fairly good and Law was very soon able to call a first meeting at which he explained the scheme in detail to his fellow shareholders. Pride in his success had made him rather over emphatic in his speech at times. He received great applause, especially when he said that a banker who allowed notes and bills of exchange to be in circulation without there being the cash equivalent to back them, deserved hanging.

As they were leaving the meeting Monsieur Paris-Duverney—a leading financier who, with his three inseparable brothers, had regulated the *visa*, and was certainly not lacking in ability, even if he was short of scruples—remarked to his friends:

“I am taking shares in this because the regent left me no other choice. But it is not a serious affair! He seems to think that the payment of 25% is enough. What does that quarter represent with the other 75% in State notes of little value: 375,000 livres in specie. With such a small sum I do not see

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Mr. Law turning the world upside down, as he says he will do. He is a fool."

Opinion in general did not differ very much from that held by the eldest of the Paris brothers. People everywhere—in fashionable drawing-rooms and among members of the middle-class—were inclined to laugh about the paper money: it was said to be so easy to carry about, but nobody had any. A great many merchants were unwilling to take their money to the bank because they were afraid that the Government would seize whatever cash they paid in. The Chamber of Justice was certainly always very harsh and their mistrust was justified. Others who were a little bolder had taken notes, but, as they did not know how to use such novelties, they used them as if they were bills of exchange.

Law had expected some hesitation on the part of the public. While he was putting the affairs of the bank into shape, he had written to his correspondents and agents all over Europe. He knew that for years past foreign merchants connected with Paris no longer dared offer their letters of credit in their own country and were declared bankrupts, for of all nations France was the one from which most cash was sent out. Law therefore, informed his correspondents that ordinary inconveniences might be avoided by merchants thanks to his establishment which was to make all payments by means of the *écus de banque* which were of a fixed value. They had to do business on that basis. And they did so.

Business relations abroad were renewed, and it was not long before confidence was restored. The cashiers in the bank had no more time for guessing riddles and writing love-letters. At last people were beginning to grasp the meaning of the mysterious expression, *écu de banque*, and they no longer had a

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horror of paying in their money at the Hotel in the Rue Saint-Avoix.

This favourable beginning went on through the autumn which, though extraordinarily warm and dry, was saddened that year by an epidemic of smallpox by which the regent, the Prince de Conti, and the Duke of Chartres were all stricken. For a short time Law was in a state of anxiety concerning his son, John, and was on the point of sending for Brother du Soleil, the Jesuit apothecary of whom the Duke of Saint-Simon spoke very highly. Fortunately his fears were ungrounded and he was able to go on with his work, undisturbed by any domestic troubles.

He had already compelled the rates of exchange to be in favour of France. He went further and put an end to usury. Good paper money was never taken at less than 30% interest. Law reduced this rate of interest to 6%. Bewildered money-lenders closed their shops and began to fight that queer fellow, John Law.

When the Abbé Du Bois was leaving for London, accompanied by his secretary Destouches, the comic poet, and taking with him the king's gold plate and some goods from Lyons, Law went to see him and said laughingly:

"Monsieur le Chevalier, for that is what you will be called in England, I shall be grateful to you if you will inform William (I have told him of your coming and he will do what he can to please you) of the flourishing state in which you have left the bank. Your bank account in London will be made up at your own convenience. If you overdraw it, you will give me the greatest pleasure. I am proud to serve France by doing what I can for you."

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The good-natured abbé grinned and whispered two or three words to Law.

Towards the Duke of Noailles Law behaved in a totally different manner. He loaded him with flattery, praise, and compliments, not one word of which was sincere. The Duke of Orléans urged the president of the Council of Finance to use the bank, with rather less mildness than usual, for he saw in the bank the basis of a still vaster enterprise. He had not forgotten the conversations held at Marly and at the Palais-Royal, the five hundred millions which were to cost the subjects nothing, and all the other wonderful promises. His eagerness to see these ideas materialize made him desire a more rapid development of the bank.

In October the Duke of Noailles gave in to the regent's wishes and, as president of the Council of Finance, ordered all the tax-collectors to make their remittances payable in Paris by notes and to pay these notes on sight when they were presented.

In spite of the threat of revocation which this letter to the commissioners contained, the tax-collectors, who dealt in bills of exchange, scoffed at the warning.

The Duke of Noailles was now in a very embarrassing position. His pride was ruffled at being disobeyed, and he was afraid of Law without being able to deny the usefulness of the bank. Consequently he was compelled to return to the attack on the 7th of December and issued a fresh order which was both longer and more severe than the first.

Law was carrying out his idea consistently. He had always blamed the banks which limited the circulation of their notes to one place, instead of giving it to the whole nation as the Bank of Scotland had done. So far, he was not able to open

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branches in the provinces because notes were not yet used widely enough. But in order to get people accustomed to using them and to inspire general confidence it was a good thing to have them accepted by the revenue offices.

Unconsciously Law was inclined to give the *Banque Générale* the privileges which he had put forward in October 1715 for the proposed *Banque Royale*. He was in fact one of those men who never give up an aim without intending to return to it later on. During all his travels he had had too many splendid ideas to let one of them drop, now that he was in a position to carry it out. As a mere director of the bank he made every effort to enact on a small scale the idea developed in Edinburgh at his famous Trade Council. He offered credit for undertakings in the interests of the public, encouraged useful works, was eager to help any honest bankrupt, gave advice to merchants, and worked in all directions with an energy which had been dormant a long time.

William offered to let him have funds whenever he needed them. The faithful brother, who kept him up to date on London news, soon wrote to tell him that he had been charmed by the wit if not by the beauty of the Chevalier D. B.

The abbé returned to Paris at the beginning of January 1717 with the draft of the Triple Alliance between France, England and Holland safely in his pocket. Spain had been definitely left out.

Thus, almost at the very same moment, there appeared before the astonished eyes of Europe, two men, hitherto unknown, who had first made each other's acquaintance in the dimly lighted garret of the Palais-Royal. The regent could do no better than lean upon Law and Du Bois, for the success of each supported him. And as for them, working as they were

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in different spheres, it was not to their interest to injure each other. On the contrary, they must combine against their common enemy the Duke of Noailles, for they were both already convinced that he would slip through their fingers if he did not first crush them one by one.

The lowered rates of interest which Law always allowed the president of the Council of Finance were to bring him one final but considerable victory on April the 10th, 1717. On that date the Duke of Noailles consented to send to the intendants a third letter in which he enjoined the collectors to accept the bank's notes in settlement of taxes due, and to use them in exchange for any gold and silver there might happen to be available in order to save the prince and the people the expense of sending up the money by carriage.

By this means the increased issue of notes was allowed, which according to Law, meant that currency was increased, and the bank began slowly to distribute its benefits throughout the kingdom.

But the provinces are easily influenced against anything new. The collectors no longer able to embezzle, with the aid of the provincial bankers, their accomplices, began stirring up the people. Bordeaux distinguished herself by making a lively resistance, to the great fury of Fénelon, her deputy, who swore with his usual exaggeration that he would never go back to such a wretched city. The Duke of Noailles, raging with anger, for Law had become the terror of his life, was compelled to act harshly and deprived Feriol and Siry, the Commissioners of Bordeaux and Lyons, of their office. These instances lessened opposition in the provinces. Among financiers in Paris, friends of the farmers-general who looked upon Law as an altogether too formidable rival, there was a strong

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but subdued echo of that opposition to be heard. Evidently the decree of the 10th of April was preparing the ground for the general circulation of the notes.

Law was wise enough not to make an open stand against these ignorant men. He recalled the perilous difficulties to which Paterson had been subjected at the hands of his colleagues in London during the early days of the Bank of England. Nevertheless he secretly prepared for a struggle with the Duke of Noailles, whose lack of ideas was becoming plain to everybody and making him more ill-natured than ever. That minister had not taken with good grace the repulse—the suppression of the Chamber of Justice—which had been carried out at the end of March, as much with the idea of saving expense as to satisfy people who were thoroughly disgusted with what he did.

On June the 21st, 1717, the Czar left Paris after a stay of two months to obtain Law's promise to go and place his vast states on a basis of prosperity as soon as he had finished his work for France. Immediately after this, the Duke of Noailles was busily occupied with a new scheme he had thought out. This was to form a committee, composed of several members of the Council of the Regency, which was to meet at the house of Daguesseau. The president specially hoped that Saint-Simon, Law's most terrible enemy, would be a member.

Saint-Simon did join and was enraged at being a witness to so much wicked malice. Fully expecting to bring on an attack of gout, he went to the meetings three times a week, attended by the Duke of La Force, who had been very friendly with Law for some time, Villeroy, de Besons, Pelletier-Sousy, the archbishop of Bordeaux, and that dog d'Effiat.

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From the very start of that committee, which was to be perpetual, it was obvious that the Duke of Noailles while trying hard to find untried measures, was all the time keeping his methods in the dark.

The regent told Law that the Duke of Noailles had proved to him that by following the principles of economy from which they had not yet deviated, the greater part of the debts would be cleared off within fifteen years.

The director of the *Banque Générale* almost shrugged his shoulders as he informed His Royal Highness that he had just hit upon a fine new project. The splendid success of his bank was making it possible for him to give his attention to something else. It was necessary in order to make use of the credit he had created.

Law went home, shut himself into his private rooms and began to turn over a mass of papers contained in a leather-case upon which he had long ago pasted a neat little label bearing the words "*Compagnie d'Occident.*"

CHAPTER FOUR

Every Tuesday morning at ten o'clock Law went to the house of Saint-Simon with whom he remained closeted for an hour and a half or two hours.

It had not been without a good deal of trouble that the regent had won for Law this long desired privilege from this irascible personage. The Duke of Saint-Simon had a contempt for finance and said so. He considered the subject to be, in nearly all respects, vile and hateful and its rules, forms, and phrases to be thoroughly repulsive. Law's persistence astonished him and then it tormented him to a great extent until he had guessed why the Scotsman was so anxious to see him.

"The man has brains," he said to Madame de Saint-Simon, "He has no intention of making me a clever financier. He has another, an altogether different object in his mind. Knowing as he does that I am the servant of the regent who is most in his confidence and better able than anybody to talk at ease with him upon any topic, Law is simply trying to make friends with me in order to get to know the private character of those of whom he sees only the outer shells, and so by degrees he will be able, at the Council, to come to me concerning the obstacles he is wiping away and the people he does business with, in order to reap the benefit of my enmity for the Duke of Noailles, who embraces him daily, but who would really far rather throttle him."

Saint-Simon had exactly hit upon Law's motive, for the latter was fully aware of the feelings of hatred he had raised and was now seeking support in all directions. He needed more than Du Bois who was wholly engrossed in his foreign policy and whose travels abroad kept him often away from the Palais-

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Royal. Always on the sharp look out, he tried very hard to get hold of the Marshal of Villars, who, however, did not yield. He had been more successful in the case of the Duke de la Force since he had been nominated vice-president of the Council of Finance in place of the Marquis d'Effiat who had become a member of the Council of the Regency. La Force was a man who was for ever burning with anxiety to be somebody.

The Duke of Saint-Simon observed the confidence shown in Law and watched him. Du Bois who knew him well had made fun of him behind his back to the Duke—to whom he did not tell the whole story.

The English Parliament was just then discussing the Triple Alliance when Pitt, father-in-law of Lord Stanhope, was suddenly seen to raise all his partisans in the House of Commons against the work effected by the Abbé Du Bois. The British Ambassador in France soon found out the real reason for this opposition. Mr. Pitt had bought a diamond from a man who had been employed in the mines of the Great Mogul and who had brought it away from India secreted upon his person. Having in vain offered this expensive jewel to King George and to several princes, Pitt suggested that the regent buy it, but the latter refused it. The Englishman was so angry at this last refusal that he turned the whole House of Commons against France in revenge. The best thing to do was to give in. It was agreed that Law should receive the diamond, that he should present it again to the regent who would have nothing to do with it, and that the Duke of Saint-Simon should be allowed to explain in suitable words why it had been acquired, though it was advisable not to give the actual reason. The little man, cheerfully and in all good faith, explained to the Prince, and everybody else, that it would have been the greatest

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mistake to lose this unique treasure. Everyone seemed to accept this argument and he was exceedingly proud.

The sale completed, it was necessary to give a name to the wonderful stone which weighed more than five hundred grains. It was named the *Regent*.

As a general rule it was only concerning his own affairs that Law took up the Duke of Saint-Simon's time.

On that particular morning at the end of July, 1717, Law laid before the little man his plan for the proposed *Compagnie d'Occident*. The Duke of Orléans had condescended to approve of the project which its author had read out to him very slowly. His Royal Highness was still incapacitated from doing this for himself as he had had a ball in his eye when playing fives: the ball had struck his only good eye which thereafter was the worse of the two.

Some of the courtiers said that the original injury was the result of a blow from a fan of some lady the duke insulted. But in this they were entirely mistaken. She had injured his eye with her little round heel.

Law was careful to avoid such an unpleasant subject of conversation with the most virtuous Saint-Simon. It was much to his taste to expatiate upon the compliments which his project had elicited from His Royal Highness.

Saint-Simon approved of it, too, and at the same time he warned the banker to be on his guard with the Duke of Noailles who was the personification of falseness.

"I know him well," said he, his eyes gleaming with anger. "There is no shabby trick that he has not thought of, plotted for, and carried out against me. That is why I never hide from the regent, or from himself, or from anybody, that the greatest and happiest day of my life would be the day I could crush

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him to death. There is nothing I wouldn't give to do it."

The Duke of Saint-Simon had risen to his feet. He stamped with rage, shaking his fists and grinding his yellow teeth viciously.

Law concealed the delight that these words caused him. Soon afterwards he put his papers in order, bowed and withdrew.

This seemed to be the right moment for starting the *Compagnie d'Occident*. Fortune was smiling upon the originator of the bank and Europe was being swept by a craze for colonization which left no country unaffected. In Amsterdam Law had seen for himself how the great Dutch East India Company carried on its operations. This company, founded in 1602, was the first one of the kind and the model for others in Europe. William had kept his brother informed on the progress made since 1716 by the flourishing South Sea Company, favoured as it was by the Treaty of Madrid as well as by the declaration of the regent who in January of the same year—for the sake of mollifying Philip V—forbade all Frenchmen under penalty of death to sail in the Southern Seas. He was also aware of the plans in the mind of Fraser, the brother-in-law of Lord Peterborough, which he had laid before King Frederick of Prussia with the intention of resuming trade relations in Asia and Africa; and then there were the projects of Baron Goertz, financial adviser to Charles XII of Sweden, which were studied by Constromm and Mendal and which in the first instance were thought of by two French adventurers named Linange and Lagallerie.

The country which Law loved more than his own, must not, in his opinion, be allowed to lag behind, however slight may have been the encouragement won by the colonial efforts of

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Colbert. Most of the old companies had failed or were dragging feebly on. The most recent was the personal achievement of Crozat who in the year 1712 had bought the trading rights of Louisiana for fifteen years. This territory had been given to the king in 1682 by La Salle who had just discovered a part of the course of the Mississippi. During the gloomy days of the Chamber of Justice the richest man in Paris had generously sacrificed the benefits derived from a monopoly which was bringing him nothing. He made no secret of the matter to Law when the latter went, looking very innocent, to ask him about general conditions in Louisiana.

He uttered nothing but sighs and groans. The continent was quite worthless. The gold-mines about which there had been so much talk were nothing much. No other business had ever given him so many worries. La Salle's successor, Iberville, had been poisoned in some mysterious way the very moment he took possession. Then the king had sent in that man's place a fellow whom no one could endure, a soldier Lamotte-Canillac, who was at once at loggerheads with Duclos, the chief administrator. They never agreed except upon hating a certain Bienville, a brother of Iberville, who in his turn treated them both as ignorant, clumsy creatures. This man Bienville claimed the right to govern the country because he had lived there for years and had made himself beloved by the savages. Exasperated by the senseless quarrels between Canillac and Duclos, Crozat had had them recalled in 1716. But the new Governor, Lepinay, had had nothing more urgent to do than to hate the recently appointed commissioner, Hubert, who on his side reproached the other for lacking kindness towards the savages although they treated him as if he were a mangy old dog.

"When I saw all that going on," exclaimed Crozat with a

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gasp, holding out his arms in despair, "I had one wish only, and that was to give up Louisiana altogether."

"Whatever made you choose such fools?" asked Law calmly.

"I had to send what the Government offered me. Few officers were willing to set off at all to such a frightful place. You know what is generally said of a man when he had been condemned to death: that he ought to be sent to the Mississippi?"

"I shall have men out there directly under my own orders."

"Do you mean to say that you were going to devote your attention to Louisiana?" and Crozat had an unpleasant look in his eye as he asked the question.

He was already afraid that another might succeed where he had failed, and he went on speaking even more bitterly and ironically.

"Would you be so foolish as to believe the silly tales of Father Hennepin? He is a notorious liar. Wild bulls with wool instead of hides! The most marvellous vines in the world! The immensely high cotton plants! He lays claim to having discovered coal, copper and lead enough for the whole Kingdom of France. If he were not dead I would ask him to say just where he saw such things. Doubtless they were visible only in his own imagination—the imagination of a madman."

"Now and then he exaggerated," Law admitted, "but he often did tell the truth. I have read the works of Penicaut and consulted the excellent map made by Monsieur Le Maire the Parisian preacher and missionary."

"Penicaut!" cried Crozat laughing. "The Indians and their temples! The pipe of peace! The dances and the custom of Natchez! Oh, yes, I know all about them. But I can tell you

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exactly what Louisiana is in reality. A flat sandy shore, wooded with pine-trees and scorching hot. And further inland? You ought to go and see it. According to the Canadians the Mississippi river winds through the finest country in the world—a land of gold. But it is a river of such a terribly swift current that its source has never yet been fully explored. The climate is impossible: at one season it is hotter than the tropics, at another it may be colder than the poles. And, least pleasant of all, there is the proximity of the Spaniards who hold the mines in Mexico.”

“That is no concern of France, and they do not frighten me.”

“You are a good pupil of Du Bois. But it will not be that old monkey who will be the target when your men are fired at by those fellows out there. Believe me, Mr. Law, whoever drags you into this redoubtable undertaking is either a fool, or a jealous sly wretch, laying a trap for you.”

The tax-farmers agreed with Crozat and laughed heartily at the ambitious John Law. Paying no attention to the rumours circulated by such foolish people, Law placed the management of his company upon a new basis, which would be looked upon as having been authorized by the councils.

He claimed the monopoly of the Louisiana trade and the Canadian trade in beavers for twenty-five years and prohibited such trading to all subjects under the penalty of confiscation. He gave all his ships the right to seize all vessels carrying contraband goods. He made himself exempt from State and town laws, and tolls due on the Seine and the Loire. He conceded to himself in perpetuity the coasts, ports, and harbours of which the colony was composed, in order to reap the benefits of all as owner, lord, and judge. He made himself owner of

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the mines, and authorized himself to sell and otherwise to dispose of parts of the concession. He made payable to himself the duties on forts, shops, houses, cannons, boats and other objects in the possession of the king in that country, as well as the ships and merchandise delivered to His Majesty by Crozat.

— He reserved for himself the right to make treaties, to make war (or peace) with savage nations, to build fortresses, raise garrisons, and, finally, to have recourse to arms for purposes of upholding a state of complete freedom in trade. He nominated governors, general officers, and others of his troops said to be in the king's service, and judges who would carry out the laws as they were administered in Paris. He bestowed a coat-of-arms upon the Company (it was an elaborate shield) supported by two savages, and surmounted by a trefoil crown.

Thus the man whom great states and insignificant princes had alike sent out of their lands, became a powerful merchant king who owed faith and homage only to the King of France.

He trembled lest the Duke of Noailles suppress some of the articles he had drawn up. On the contrary, the president of the Council of Finance approved of everything with a most amiable smile. Then Law began to be afraid. What was hidden under that unexpected approval? It was not long before he knew.

The committee conceived by the Duke of Noailles had achieved its work, after weeks spent in tedious discussions, and made unanimous resolutions. Saint-Simon himself had nothing against these resolutions for he feared nothing more than the untimely convocation of the States-General which the Duke of Noailles, at his wits' ends, had decided upon before creating an "office of dreams" where any number of projects and ideas invented by the public were to be received and speedily

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annihilated—for there were many persons throughout the country who believed themselves competent to place France's finances upon a sound footing again.

The president had intended to let the founding of the *Compagnie d'Occident* depend upon the decision arrived at by the committee. So when once the undertaking was accepted he required Law to submit to him an explanation of the financial part of the affairs.

The director of the *Banque Générale* had fixed the capital of the company at one hundred millions divided into shares of 500 livres, differing from those issued by the bank in that anyone was entitled to buy, sell, or to trade in them, as he thought fit.

For the first time, holdings, which Law called “made to bearer,” were offered to the citizens of France. Thinking of William and his friends, he stipulated that any persons living out of the Kingdom of France had the right to acquire these holdings, and that His Majesty, in the event of the death of such persons, would renounce in their favour his ancient right of escheat, and of confiscation at the outbreak of war, etc.

The company must present a balance-sheet annually for examination at the general meeting at which shareholders were to be entitled to one vote for every fifty shares. As for the payment of these shares Law was inclined to accept one part in coin and three parts in State notes.

This was the part that the Duke of Noailles was waiting for. He insisted, for his own part, that the payments be made in State notes only.

Law protested. With the wretched paper-money losing 70% of its value, there could not possibly have been a better way of strangling the company. All he now asked was in some way

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to benefit the treasury which was already deeply involved in debt; in exchange he ought not to be hindered from giving his business a chance to prosper. The selfish Noailles remained stubborn. Law found all supplications in vain, and resorted to mild threats, although he made them with the respect due to such an all-powerful officer of State. He ventured to say that he gave it up on these terms and went to complain to the Duke of Orléans who, though upholding the financier, refused to decide against the Duke of Noailles. Law considered the matter and finally gave in out of consideration for the prince, and with the hope that such unfavourable circumstances would inspire his genius.

It was then agreed that the hundred millions of state paper-money arising from the company's subscriptions should be destroyed and an income of four million paid to it, which the company in its turn undertook to distribute among the shareholders, who in this way were sure to get 4% of their money in addition to the profits derived from the whole transaction. This combination increased the novelty of the holdings. Finally it was settled that the first distribution of profits by the State should be acquired by the company and constitute its capital.

Law had asked for one hundred millions which, because of the presence of paper-money, must be reduced, in his opinion, to sixty millions. They granted him four millions. After this telling blow he was ready at any moment to pick a quarrel with the president of the Council of Finance.

On August the 27th the Duke of Noailles triumphantly took four decrees and one royal declaration of the Parliament to be registered.

The first decree related to the suppression of the 10th. In

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the end a government is always obliged to keep her most imprudent promises. The second had to do with the creation of one million two hundred thousand livres in revenues, and the third was concerned with the sale of estates. There were some men who went so far as to ask for the revocation of the letters and patents granted in 1624 and 1667 to forbid that any buildings and alterations be made in the space of ground intended for the Louvre. The fourth decree was to propose a lottery sweepstakes to be drawn every month, with tickets costing twenty-five sous. Prize winners won according to what they put in and were to have the equivalent of their gains in State notes, the interest of which was to be converted into a life-annuity for the winner. This led up to the founding of the *Compagnie d'Occident* in which no one seemed to see anything but a vast machine which would swallow worthless paper-money.

The Parliament—influenced by its many foolish members—did not take the matter in the right way. The system of management, in their opinion, was not solid enough. Both chambers declared that they were unable to express their decisions without mature deliberation. It pleased all those limbs of the law, hoping for secret bribes, now and again to make a parade of their independence. Consequently they humbly begged the Duke of Orléans to furnish the commissioners of Parliament with a fully detailed statement of the revenues of the king—ordinary and extraordinary—the charges of the said revenues, as well as a statement of the extent and nature of all outstanding debts.

On Monday August 30th, Monsieur de Mesmes, the first president, made his appearance at the Palais-Royal and apologized profusely for having to go into matters, which otherwise

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he would have had no doubts about, in carrying out his duties as a judge.

The regent replied that no interference with the royal authority should be made while he was responsible for it and turned his back on the president, muttering to himself "that he would never let himself be imposed upon by those fools."

The next day the Duke of Saint-Simon and Law congratulated themselves upon the regent's firm stand while the cowardly chancellor, Daguesseau, supported the opinion of the Duke of Noailles, who in his turn was no less afraid and who went to implore the regent to give way; and that is what the easy-going prince did.

On Sunday, September the 5th, Monsieur Le Nain, the head of the Parliament, and the fourteen commissioners, presented themselves at the Palais-Royal at half-past ten as they had been commanded to do. The Duke of Orléans was at one end of the office: at the other end stood the Duke of Noailles behind a small table littered with registers, accounts, and all kinds of papers. Mr. Law was brought forward so that he might describe in full the advantages of the *Compagnie d'Occident*. As usual, he expressed himself well in the presence of the "old foxes" whose manners caused him much inward vexation.

On the 13th of September the Parliament decreed that the statutes of the company should be confirmed by letters and licenses registered at the court. The edict concerning the four million income was not passed so quickly, but that was registered also in December.

Law had tried to obtain from the Duke of Noailles and his followers (Rouille and the others) several thousand shares payable in coin. But rather than please him in this, the presi-

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dent of the Council of Finance preferred to let him have more of the notes. That accounted for the break between them. The chancellor, in his servile attachment to the duke, did not notice any personal ill-will and gave his approval and his support to his colleague. The Duke of La Force on the other hand defended Law and this brought about a great quarrel between La Force and Noailles.

The Duke of Orléans wanted to smooth things over. He had too much to worry him with the bishops and the bull *Unigenitus* to be tempted to try others, and towards the end of October he ordered the Duke of Noailles and Law to come to a reconciliation. He believed he had managed to bring this about, but the sincerity of the banker on this occasion met with nothing but the bad faith of an ambitious man, rendered bitter and jealous by the regent's protection of his opponent.

The anger of this ill-disposed person, who even hoped that the bank itself would fail, increased steadily through the month of December.

The bank held its general meeting on the 20th in the presence of the regent. The resolutions taken had received everybody's approval. Law had granted the shareholders a dividend of $7\frac{1}{2}\%$ for six months. This obvious success made the Duke of Noailles green with envy, added as it was to the acclamations which Law had received elsewhere when expounding his plans concerning the *Compagnie d'Occident*, which the public was now beginning to call the Mississippi Company.

Had not somebody actually shouted out: "If you keep your word you will deserve to have a statue," while the whole crowd together called, "Yes. Yes. We shall put you up in the finest square in Paris."

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The Duke of Orléans, greatly harassed by the two enemies, was anxious to put an end to the trouble. He commanded the Duke of Noailles to receive him at supper on the 6th of January, 1718, in the charming house which Noailles had leased from a rich man named Du Noyer at Roquette in the suburb Saint-Antoine. He prescribed an early hour so that there would be time for Noailles to work at leisure with the chancellor and Law under his eyes.

The meeting lasted a long time, and the regent went away from it quite convinced that Daguesseau was, of all the chancellors he had ever seen, the one most devoted to mere forms, formalities and red-tape. He drank nothing but water, was absolutely self-centred and such a slave to the Duke of Noailles that he would uphold what he said with stupid blindness and deny the plainest reasoning of Law. As for the Duke of Noailles he was not the genius that he, in his own lordly fashion, was inclined to believe himself. He was an inferior sort of man. The darkness into which his stumbling might lead him was now apparent to the regent. Du Bois had been right.

His Royal Highness took it all in without saying anything. He decided to rid himself of these second-rate leaders who were always abasing themselves before Parliament with which he, the regent, had not been on good terms since their inept moves of the previous September.

The Duke of Saint-Simon approved of the regent's wise decision. It suited him in every way. It satisfied his hatred of the Duke of Noailles, relieved Law of his harassing opponents and, above all, humiliated those cursed legislators.

The regent had decided to bestow the office of the Seals and Finances upon d'Argenson. He had not forgotten that the

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Chief of the Police had once rendered him a great service by loyally declaring his innocence at the time when the late king had suspected him of having poisoned the Duke of Burgundy. It gave him pleasure now to put forward a man so worthy, so witty, so ambitious, so able to hold his tongue and, at the same time, an enemy of the Parliament which had been able to do very little with him. His connexion with the Abbé du Bois and his friendship with Law, at least since the Regency began, seemed to make this choice the right one in every respect. The banker would have nothing to hinder him in his business, and instead of a man who trembled before authority, the regent would have a Keeper of the Seals well in hand and in readiness to act.

Otherwise, now that he had ceased to show his terrible wig in public, and in spite of his really incredibly ugly face, he was a nice enough fellow with a pleasant weakness for women.

Saint-Simon, who was wonderfully good in the management of detail, obtained the permission of the regent to inform d'Argenson of his good fortune.

Although the Chief of Police was as dark as an Egyptian, he became darker still when the excited little man, shut up with him in his study, had given him to understand that he was to have the office of Finances but that it was to be under the control of somebody else. Such an arrangement was not at all suited to his bold proud character. He remarked that he would prefer to hold only the Seals. This made Saint-Simon roll his great eyes and say that the two offices could never be separated and that it was just as necessary to be supple with Law as to be stiff towards the Parliament. D'Argenson accepted the double office when he heard that, and at half-past

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ten, after exchanging compliments, he returned to his coach and Saint-Simon ordered his own to drive him to the Palais-Royal to give a full account of all that had passed.

This second meeting did not end until nearly midnight. The duke at once sent for La Vrilliere, whom he charged to go at eight o'clock the next morning and reclaim the seals from the chancellor. He also provided that the chancellor be sent to his home in Fresnes and ordered not to stir out of the house.

On the following day—the 28th of January, 1718—the regent had scarcely received the seals when the Duke of Noailles, informed of what had happened by a note from the exile, burst into the prince's closet, and, pointing at the seal still lying on the table, asked why they were there and wanted to know for whom they were destined by His Royal Highness.

When the regent said he intended them for the Chief of Police, Noailles who could hardly restrain himself from flying into a rage, said angrily, "As the plotters have gained the upper hand, Monsieur, I wish now to resign my office in the finances."

"You have no request to make?"

"Nothing whatever."

"I had in mind a seat on the Council of the Regency for you," the regent observed.

"It would be of little use to me," and so speaking the Duke of Noailles withdrew with some show of insolence and a somewhat curt bow.

D'Argenson was then summoned to the Palais-Royal. On the stroke of three he took the king's oath and carried away the seals. He went to show them to Madame de Veni, mother superior of one of the convents in the neighbourhood

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of Saint-Antoine. He thought they would amuse her. He was exceedingly fond of that woman and visited her every day, though by so doing he greatly displeased his sons.

Never did Du Bois drink his cup of milk more cheerfully than he did that same evening. Law fared considerably better but in equally pleasant circumstances. The Regent, however delighted as he may have been, spent his night as he ordinarily spent it—in the arms of his mistresses, neither more nor less intoxicated than usual.

CHAPTER FIVE

By the spring of 1718 Law had formed his opinion of the kingdom in which he had been living for two years and a half. That opinion compelled him to alter his mode of attack while still adhering to his true principles.

At one time he was anxious to be associated with the State in saving the finances and in restoring credit. If he still hoped to make the country rich he intended to do it without any unduly close union with the Government, although the Duke of Noailles had been removed. His idea had been—in the time of the late king and during the early days of the regency—to have the bank under the control of the Parliament.

He now knew the true value of that body of men who did not trust him and who, one and all, were nothing but a lot of arrogant, servile, creatures.

If the genuine love he felt for France was not lessening, it was beginning to resent her Catholicism. Was that because he was a Protestant? No; he did not trouble himself very much about religious matters for he was not even certain which church he preferred. But he was a Scotsman. England, which he detested, and Holland, which he admired, had both made their impression on him. And he had to admit that the great commercial and banking movement, just then influencing the whole of Europe, obeyed, for the most part, impulses given by Protestant nations, for they were the nations which had inherited most from the Jews and seemed to be most capable of benefiting from the changes to be actually brought about.

In his heart Law most wished to make his bank into a "State within the State"; this was the dream which he never mentioned to anybody.

Why was it that the regent, who was so anxious to be like

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Henry IV in all ways possible, would do nothing to help him. It gave Law an uneasy feeling that without his help he would not be able to build anything on a solid foundation.

These frivolous people who constantly bewailed their poverty and laughed if they were scolded, really did not seem to know what money meant. As to those silly fellows, the royal army, they knew nothing except how to caress a woman with one hand while they begged with the other. The late king let them become too well accustomed to begging. Law was fully aware that that was why so many crowded around him: the Duke of Bourbon, unsatiable crayfish; the Prince de Conti, starving brute; and Monsieur de Lassay, the paid lover of Madame la Duchesse, the elder, who perhaps was her husband. And in addition to these men of high social rank there were any number of upstarts.

Ah well! even they were preferable to the noisy talkative Council members, fond of pomp, formalities and speeches, who simply spluttered out their words, making as much parade as they could of their bombastic ignorance and carrying out their business as one would arrange a ballet. From the highest to the lowest, from the cleverest down to the greatest fool among them, they all behaved as if they were on the stage. The Duke of Noailles had his registers, his preoccupied look and his long line of clerks. Du Bois fell easily into the same path. Had he not at the Hague, just for the sake of astonishing Stanhope, pretty nearly buried himself in masses of papers and documents, sheltered by untidy heaps of books, and adorned with quill pens stuck into everything, in the inkpot, on the table, and in his own wig. D'Argenson managed better than that. He held his interviews with people at two or three o'clock in the morning, he worked and took his meals in his coach

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by candle-light, and never forgot to search in his pockets and shake his papers in the hope of coming across the seals. These he was constantly mislaying—once even in the mother superior's bed.

After the fall of Noailles there were many who assumed that Law had already been made the head of the finance department, because he worked almost every day at the Palais-Royal with the newly appointed Keeper of the Seals and often in the presence of the regent. Ostensibly the regent was there to advise them. In reality he was there for the purpose of clearing away the obstacles raised by the Duke of Noailles and his Rouille. Everything got done much more quickly now. The Duke of La Force, a mild, easy-going man, concerned about nothing in the world but his own purse, presided over the Council of Finance in his idle, gentle fashion. This gentleman was not without brains but he was by nature greedy. He would at all times have done anything, literally anything, for the sake of gold.

It was he who proposed to the Duke of Orléans that the Paris brothers be charged on their tax-farming. Law had nothing against this suggestion, and d'Argenson even less, when he was offered, as usual, a premium of one hundred thousand *écus*.

These four Paris brothers, born in a tavern in Dauphiné, were, among financiers, stars of the very finest lustre. An extraordinary chance—the result of the war on one hand and the vengeance of an amorous manufacturer of munitions, on the other—had forced them out of their village and very soon from their state of obscurity. They possessed an immense fortune which they had made as tax farmers. At the time of the Chamber of Justice, the Government, on account of their

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part in the *visa*, spared them, for political reasons, the harsh treatment they deserved. By way of acknowledging this leniency they had subscribed (without pleasure) to shares of the bank and of the *Compagnie d'Occident*.

Law wanted to see the Paris brothers, powerful as they were, take some active part in the work he was now carrying on: for he foresaw that in the long run the more or less disguised hostility shown towards him by the brothers and the open hostility of Crozat, would be dangerous. He took Duverney, the eldest and the leader of the four aside and assured him that he was a favourite with the regent. Then he went on to propose the brothers' association with him. In his rough countrified way, the financier refused anything of the sort. Law became threatening in his manner and Duverney told him that through his correspondents abroad he had got to know all he wanted concerning him and his projects.

Duverney was not only aware of the rebuffs that had been given Law in various countries, but he went so far as to accuse him of being merely the imitator—the vile imitator—of Baron de Goertz who had limited the circulation of coin in Sweden to copper, suppressing gold and silver altogether.

“You have originated nothing, and I shall get on better without you,” was Duverney's final remark.

Instead of improving matters the director of the *Banque Générale* had only contrived to make four new enemies who were, moreover, leaders of a powerful clique on which very soon the head of police laid a hand.

D'Argenson was just as much exasperated by the protection which the regent extended to Law as the Duke of Noailles had been. His unpleasant character prevented him from upholding anyone and this man's authority weighed upon him. Although

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he was totally ignorant of finance he took his appointment very seriously. The regent was so outraged by his behaviour, that he called him a hypocrite and threatened to have him hanged. On one occasion he humiliated him so greatly in the presence of the court that the poor man was ill for ten days. "If only the fellow would burst," groaned His Royal Highness. Saint-Simon, too, was enraged against his dupe. Everything the man did was contrary to the promises he had made him. He now regretted that he had condescended to approach him, and reproached himself for having ignored the absurd intrigue with the prioress which would end in making d'Argenson the laughing-stock of the common people everywhere.

Law was concerned with trying to advise d'Argenson against the queer raising of the money rate which he had in mind. Unfortunately, that was the best way of persuading the latter to do it.

The four Paris brothers were upholding and even secretly guiding the obstinate ignorance of the Keeper of the Seals. They often saw each other at night, unknown to other people, for they lived in adjoining houses with a secret door between.

Here it was that the Paris brothers informed d'Argenson of a fine project they were going to put into operation against the foreigner.

The taxes they controlled were bringing in one hundred millions yearly. The farming of these taxes had been let to them for forty-eight millions yearly. The intention of these men was to exploit this lease by means of a company of shareholders, in all respects similar to that of the *Compagnie d'Occident*, and one which everybody, the chief investors in particular, would be willing to support. The benefits to be drawn from his company would attract the public by its

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soundness—it was very different from the far-away Louisiana project. At the same time, with it they would be smashing up the sham system of that impudent Scotsman.

The Paris brothers chuckled with delight. D'Argenson rubbed his hands. The only thing he asked of the others was that they would not take any definite action until he had settled his own score with their enemy. Without troubling himself about Law—it was only simpletons who trusted the Scotsman to clear off their debts—he, d'Argenson, was going to breathe very roughly upon the State notes and cause them to vanish. The trick he had in mind, of which he was very proud, was nothing but a swindle to be played on the public. He was going to offer these ever-trusting dupes a new inflated currency in place of the former one of higher metal value, and the remainder was to be made up in worthless paper-money.

While these underhand plots were being put into shape, Law was ceaselessly at work organizing his company: its financial position was not very promising. At the end of many months the shares had not all been taken up. The whole undertaking would have had to fall through if the bank, prospering more and more, had not supported it. The lack of enthusiasm shown by the mass of people for the Mississippi shares in no way dampened the spirits of the Scotsman. This confidence was generally felt by his nine fellow-directors: Artaguette, Duché, Moreau, Piou, Castagnaire, Mouchart, Raudot, Boyon d'Hardancourt, and de Mouchaud. They were all rich; some were in trade, some were connected with the marine department, and some were commissioners. In the question of management, they were all upon equal footing. Law was, nevertheless, the chief.

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His first aim was to put the colony into a state of order. He started by sending Lépinay, the former governor, out to the Isle of Grenada and putting in his place as governor, Jean Baptiste le Moyne, Sieur de Bienville, who was more familiar with the country, where he had been living for many years, than the cleverest official from France could be. Law retained only the Commissioner, Hubert, who seemed, now that he was separated from his enemy, Lépinay, ready to take an active part in affairs. In his well-prepared memoranda, Hubert asked that families of the labouring and artisan classes be sent out, and recommended the cultivation of indigo, rice, tobacco and silk-worms.

The mines interested Law more than anything else. He had Lamotte-Canillac (Governor of Louisiana before Lépinay) come to his house in the Place Louis le Grand and begged him to let him have a specimen of the lead which he was supposed to have discovered. This was sent to the Abbé Bignon of the Academy of Sciences to be tested. The former governor treated Law to a discourse sprinkled with many oaths and clearly expressed his hatred of the accursed country. Law hastily interrupted him. He did not care to hear his divagations; he was much too busy. Monsieur de Latour and Monsieur Perrier, two engineers whom the company had engaged, waited in the adjoining room. Monsieur de Latour was to go with the first party of colonists. Perrier was entrusted to lay the foundations of a town to consist of sixty-five groups of houses, twelve in each group, a church, a building to be used for purposes of general administration, a residence for the Government, two barracks, a prison, and a general shop: the whole was to be called New Orleans.

Law thought of everything. He himself conferred with the

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men, who were recruiting emigrants for Louisiana from among the contraband salt-dealers and beggars of all kinds by dazzling them with the splendours of the Mississippi. They assured him that by summer they would be able to collect several hundred men and women.

As his mind was taken up by his distant kingdom of Louisiana and by La Rochelle, where his fleet was lying awaiting his orders, Law paid little attention to the behaviour of the Keeper of the Seals, which was becoming more and more mysterious. D'Argenson plotted even with his clerks, who looked up data for their chief to prepare, locked up in his study with his two sons. The young men copied and recopied a confidential letter from their father to the commissioners to announce the famous decree concerning the currency. This appeared on the 11th of May, registered by the mint.

The Parliament did not approve of that proceeding and after the 2nd of June there were signs of agitation beginning in both chambers.

D'Argenson raised the value of the louis from eighteen to thirty-six livres, the écus from four livres ten sous to six livres and invited the public to appear at the Hotel de Ville where sixty livres in the new currency would be given them in exchange for forty-eight livres of the former currency and twelve State notes. This operation benefited the treasury to an enormous extent.

In the opinion of the legislators, it was decided on June the 14th that matters were serious enough to render it necessary to convoke both Parliaments, the Court of the Exchequer, the Board of Excise, and the mint to a general conclave on the following day. Owing to the absence—either voluntary or under compulsion—of certain officials, the meeting had to be

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postponed until the 27th. Parliament soon decided to oppose the measure alone.

On Friday June the 17th, the first president, Monsieur de Mesmes, accompanied by deputies, presented himself at the Palais-Royal to demand the suspension of the decree. The Duke of Orleans not only would not give way in the slightest degree, but ordered the troops to be prepared to be called out.

On the 20th they were called out—and sent to the mint and to the bank—in reply to another insolent move of the Parliament, which actually forbade notaries “to make any payment or repayment otherwise than by means of the currency in circulation up to the 30th of the previous month.”

This order of Parliament was cancelled immediately by the Council of State called by the regent. Soldiers were sent off at once to the printing-office at the palace to destroy the notices, and others were dispatched at their heels, to use compulsion, if necessary, to make people accept the new currency.

Parliament continued to insist. On the 27th it went in a body to remonstrate with the king, and on the 2nd of July it returned to receive its answer from His Majesty. This answer, in D'Argenson's words, was of an “exemplary harshness”, and the legislators were quickly sent about their business.

Law privately looked on these developments with uneasiness. It was plain that Parliament was endeavouring to incite the masses of the people against the Government by abusing the interests of the public. Behind Monsieur de Mesmes were the illegitimate sons of the late king, who, a year earlier, had been deprived of the right to inherit the crown. Sons? To put the matter more accurately it was only the Duke of Maine and his tiny wife. The Duchess of Maine was possessed of monstrous ambition, and asserted without a blush that she would

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“set the whole kingdom in flames to keep from losing the right of succession.” Brittany, agreeing with them, began to complain, and Spain was secretly discontented. Were not the Duke and Duchess of Maine closely linked, by means of that go-between, the ambassador Cellamore, with the son of the gardener at Placentia—the proud, redoubtable, self-willed Cardinal Alberoni—the chief Minister of Spain and master of his king, Philip V, who was entirely given up to love-affairs? Oh, how hot and stuffy it was in Paris. . . . Were they all heading for another Fronde supported by Villeroy and the leaders of the old court?

Catherine and John were most uneasy. They remembered the riots in Edinburgh without any feelings of pleasure. What would become of them if the opposition removed John? Or if the Duke of Orléans was put out of the way?

“The whole of our fortune is in your undertakings,” said Mrs. Law with a sigh.

“That does not matter very much,” answered her husband. “I am thinking more about the bank than about anything else.”

But he never forgot the company either—whatever his feelings happened to be.

On the 12th of August he sent out orders to the captains of his ships, *Victoire*, the *Duchesse de Noailles*, and the *Marie* to set sail for Louisiana on the 25th of that month, and intimated to them that there would be eight hundred people to sail. Suddenly a thunderbolt burst in Paris.

The Parliament personally declared war upon Law. Its collective fury required a victim—at the same time more innocent and less dangerous than d’Argenson—and it chose the Scotsman.

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It issued a terrible decree. The court of Parliament ordered the bank to be reduced to the terms of its operations as specified by the letters patent of May 1716. Consequently the bank could not detain any of the Royal moneys, and the privileges, which had been won with such great difficulty from the Duke of Noailles, were annulled. In addition, all foreigners, even if they were naturalized, were forbidden to take part directly or indirectly, or in any way to share in the management and in the administration of the royal moneys.

Law was aghast when he read the copy brought to him. One angry movement on the part of the legislators was thus upsetting all his work, regardless of the further good he might be able to do and of the good he had already achieved. With a gesture of disgust he swept aside the dispatches for the captains at La Rochelle and gave way to his fury. What had those people against him? Did those fools—they were not only fools but rascals as well—believe that he had been really capable of instigating that idiotic decree issued by the Keeper of the Seals? He shrugged his shoulders. In that case he must continue the struggle. First there had been the Duke of Noailles. Then there was the Parliament. Who, or what, was to come next? He was weary and even disheartened by all those rebuffs! He was not seeking his own interests: he had never desired anything but the good of the kingdom. Now everybody hated him; hunted him down as if he were a wild, ferocious animal. It seemed to him that their ignorance was taking revenge for his genius. At that moment he wished to flee. All he wanted was to resume his free vagabond life. But what of Catherine and his children? Moreover, he must keep the promises he had made: honour compelled him.

“If I were the regent, I would have all the members of the

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Parliament thrown into prison. Their games have been going on too long."

He became threatening because he was frightened, terribly frightened. He had once very nearly been hanged and he had never forgotten the experience. His teeth were chattering. He had an odd feeling in his bones, and he shivered. Would he not be injured in some way? Who knew? They might attack him in the night, and perhaps kill him: "What are they going to do without me?" he sighed, and felt sorry. He had planned to abandon them and was immediately afraid to see them deprived of his vast abilities. Surely his head was giving way. He held it with both hands over his heavy wig and tried hard to think.

The Duke de la Force entered the room at that moment and noticed the fingers bent upon the fair curls—and they reminded him of the claws of a dead bird. In the armchair the bowed back looked as if it were waiting to be struck.

Law rose to receive the visitor but without hiding his discouragement. It was impossible to carry on work seriously in this country.

"And Du Bois is away!" he said, speaking to himself.

"He is returning. He leaves London to-day or to-morrow. But this little abbé is not indispensable to you; am I not at hand?"

"And the Duke of Orléans," jeered Law, now almost aggressive.

"And the Duke of Orléans, also," went on the kindly, well-disposed nobleman.

Being in a hurry to act, the Duke de la Force quickly took Law to the Palais-Royal with him. For five or six days there was a constant struggle. He roused d'Argenson, set him as

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much as possible against the Parliament, and urged him to compel the regent to action. He went to Saint-Simon and assured him that he had made up his mind to fight his hardest against the legislators, if he were allowed the seat on the Council of the Regency which he so greatly coveted. All in one he was defending his own interests and ambition, the bank, and the State.

Law took the Duke de la Force to the regent, who was greatly upset—he was overburdened with shares and ready to do anything rather than lose them. The hatred which animated him against the Duchess of Maine, his aunt, made him all the more anxious to take upon himself the education of the king which her husband now had in charge.

Du Bois fell into the midst of this haggling on his return. He brought with him the new treaty of the Quadruple Alliance in his pocket. He was proud of the victory he had won and little disposed to see endless numbers of people all reading the recently published *Memoirs of the Cardinal de Retz*, comparing Mazarin with Law, and starting over again all the stupidities of the former regency for the benefit of the Bastards. One Fronde had been enough. This one would ruin him and his master. He added his entreaties to those of others and finally put everything into the hands of the regent.

The regent was still hesitating about having a definite struggle with the Parliament. That assembly was still trying to frighten him. On the 17th it had called up the head of the municipal administration of Paris with whom it was willing to be lenient. There were sinister rumours getting about in the city just then. Were not people saying that the members of Parliament were getting ready to seize Law, to judge him in secret session and hang him without more ado?

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The moment he heard this, the unfortunate Law, pretty well at his wits' end, hid himself in his coach and rushed off in tears to the Palais-Royal. He kept out of Du Bois' way. The abbé's bearing towards him had changed so much that it was almost as evil as that of any member of the Parliament. The Duke de la Force and Fagon, a councillor of State, having been shocked by the same rumours—no one knew how they originated—arrived at the palace, too. They both declared that nothing but a *lit de justice*, held without a moment's delay, could save the existing situation. The regent, who was just rising from his bed, paid little attention to his three assailants, absentmindedly signed the safe-conduct which Law asked for in great agitation, and wearily commanded them all to hold a meeting that afternoon at the house of the Duke of Saint-Simon, who would furnish him with particulars later.

That was on the 19th of August. The regent took care to play his part well. It was not his policy just then to make any parade of his hatred of the members of Parliament. What had affected him more than anything, when the three men came into his room, was the utterly crestfallen appearance of John Law. . . . He had looked more dead than alive. He, who was always so full of wit, had stupidly stammered out some words about "Rope, gallows . . . sworn to kill me," and had suddenly begun to weep.

The Duke of Saint-Simon did not consider his state of fright exaggerated. Members of the Parliament would draw the line at nothing—they were the lowest rabble in the kingdom. He advised Law, with the approval of de la Force and Fagon, to find a place of safety for himself.

"You are a friend of Nancre. Just at present he is in Spain. Go and stay in his room at the Palais-Royal. They will

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not go there to hunt you, and the regent will be able to reach you."

Saint-Simon made him go to that retreat at once. Law—a little calmer—bowed. He was not able to take an easy breath until the broad face of Ibagnet, the door-keeper at the Palais-Royal appeared a quarter of an hour later. When he was once in Nancre's room he wrote to his wife asking her to come to him there, and then went to find the Prince.

Meanwhile the conference at Saint-Simon's house went on. The three men remained together until nine o'clock that night and they were all convinced that there was nothing to be done but to have a *lit de justice*.

The little Duke of Saint-Simon was having the time of his life. He, only, was admitted at the Palais-Royal. He called there at all hours of the day, and once he was so late that he could not see the Duke of Orléans for he had already gone to join his usual supper companions—his mistresses and the "roués." He left a note for His Royal Highness and went down the stairs again cursing such an absurd way of behaving. As he was leaving, one of Law's footmen, standing in the doorway, accosted him and implored him to go and see his master.

He kindly went up the stairs again and was shown to the room where Law and his wife in silence were sitting facing each other across a table on which was one rush-light. Catherine left the room and Saint-Simon stayed just long enough to reassure Law.

He soon had further interviews with the duke in a dark corner of the Tuileries gardens. He would get out of his coach in a lonely place and, evading his servants, would hide among the trees. He was obliged to use his strongest arguments, for

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the duke opposed him with brutal obstinacy. He sought the control of the education of the king, in just the same way as he might have sought a hundred and fifty thousand livres of the regent, and as he would seek them later on.

His determination transformed the *lit de justice* into a matter of tremendous importance. Certainly it would give Saint-Simon satisfaction to reduce the illegitimate sons of Louis XIV—whom he despised—to the rank of peers, but would it not be too much to attempt at one stroke? Although he detested the Duke of Maine, he had great respect for the good Count of Toulouse, whom he wished to spare such unjust humiliation. What complications there were! Saint-Simon moved about in a frenzy of excitement: he even pursued the regent to bed. He went into the most minute details, scheming and exacting secrecy with a finger on his lips.

The famous *lit de justice* took place at last on August the 26th at the Tuileries; the seventy arrogant Members, clad in red gowns and walking two and two, arrived, without causing for a moment the slightest stir among the people who saw them go by. It was not necessary to rouse the musketeers and guards yet!

They took their seats and d'Argenson's speech put them to sleep. . . . Then Monsieur de Mesmes tried to stammer out a few words, but the child seated on the throne laughed and pronounced the well-known phrase: "The King wishes to be obeyed, and to be obeyed at once." This one phrase struck Parliament with terror. It was no longer anything but a name. The Members merely enacted and annulled whatever was required of them. When they were back in their palace they began to protest. Three of the members were arrested and that was the end.

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Law had one enemy the less and that the most malignant of all. He kept his head and France kept him. He rejoiced for himself and for the country.

Victory thus being assured he was filled with a boldness which he had lacked the previous day. He acted with extraordinary speed. On the 4th of September, that is to say ten days after the *lit de justice* the *Compagnie d'Occident* became the grantee for the tax-farming in tobacco.

The plans for this had been in readiness when the activities of the Parliament hindered the originator from getting it approved by the Council of Finance.

The king, in exchange for an annual payment of four million, twenty thousand livres, leased this grant to John the Admiral for nine years. John the Admiral was a name which John had had to invent on the spur of the moment when he was signing orders for the captains of his ships.

This stroke of business benefited both Law and the State. The king owed the *Compagnie d'Occident* four millions of livres, which represented the interest on his capital in State notes, completely subscribed for since last July, and would not pay them. The two accounts were in this way squared. His Majesty was declared to have cleared off his debt, and the company remained in His Majesty's debt only to the extent of twenty thousand livres a year.

In starting this clever arrangement Law had more in view than benefiting the treasury, which was always sunk in debt. He was thinking chiefly of finding a convenient market for the tobacco raised by his company in Louisiana. Perhaps he was thinking even more of his shareholders. The colony would not immediately earn the fabulous profits which he had led them to hope for. Therefore it was absolutely necessary to

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support that enterprise by means of others, with greater certainty of immediate return, in order to swell the first dividends.

The clever people who had believed that Law was trying to secure control of all the wealth in the kingdom were surprised to see him allow the Council of the Regency to come to any decision against his own ambitions. On the 16th of September that assembly authorized Aymard Lambert, d'Argenson's own valet and an agent for the Paris brothers—for they were quite carried away by their notion—to transfer his lease to a company modelled after the *Compagnie d'Occident*. Certainly the *Ferme Générale* was a fine prey!

Law might have seized this, too, if he had been unfettered. But he felt that he could not rise against the Keeper of the Seals to whom he was in some slight degree indebted for his life, after having also nearly lost it through him. And, too, Law was now on better terms with the Paris brothers. He did not doubt that some day he would bring them over to his side.

Had not the eldest of the brothers lately acquired a concession on the Mississippi, somewhere in the region of the Bayagoulas, and sent Monsieur Dubuisson to him for a few instructions? Dubuisson wanted to embark with Law's next convoy. The indefatigable Law was overseeing all the preparations with enthusiasm. He was particularly pleased at having men such as Monsieur Bernard de la Harpe and Monsieur Brossard, a Lyons merchant, both good solid men, to depend upon. In addition to another engineer, Monsieur Mean, and four clerks, the company had engaged masons, a wig-maker, and fifteen miners—for the Abbé Bignon, a member of the Academie des Sciences—had declared with due solemnity that the specimen of lead was indeed lead.

CHAPTER SIX

Since the suppression of the councils in September, with the exception of the Council of the Regency, Du Bois had directed foreign affairs alone, under the title of deputy Secretary of State.

The Duke of Orléans had promised peace to France. The abbé now wished to give it to the entire world.

Following the suggestions made by the clever Stanhope and Craggs, the English Secretary of State, it was his dream to establish perpetual peace in Europe by means of a vast federation of the powers. Hitherto he had succeeded, with the help of his friends (and with his cardinal's hat chiefly in his mind), in attracting the Emperor, whose status was second to that of the Pope, into the Triple Alliance which had thus become the Quadruple Alliance. But the three men met failure in the presence of Alberoni, who scornfully sent away their emissaries.

The arrogant cardinal, Alberoni,—remarkable for his enormous head and his unusually broad face—did not lack wit, but he possessed a low order of mind and a taste for political trickery. He had compromised himself with that Swedish fool, Charles XII, as well as with some of the less reputable Jacobites. He hated France and especially the Duke of Orléans, against whom he had two grievances: he was potentially the usurper of a throne which should devolve upon his, Alberoni's, master and, at a time when he had been nothing more than a poor priest from Parma, ready to fall in with any kind of intrigue, the duke had shown him nothing but kindnesses. Cellamare, the Spanish Ambassador to Paris, under instructions from the Cardinal, concocted obscene tales about the regent for Alberoni to retail to the king and queen, not so

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much for the purpose of stimulating their marriage relations as to alarm their bigotry. Alberoni was an adept at assuming any kind of mask, even that of virtue, however little that might suit a cardinal who for a whole year had forgotten to be present at the celebration of the Mass and who shared his bed with a woman of the town.

Pride was his dominating passion. In him it almost amounted to a form of madness. The Spanish fleet had then recently been cut to pieces by the English off Sicily. Alberoni seriously made out that the queen was to blame for the disaster for she had neglected to set out on the admiral's flag-ship: her presence on board would have obtained victory from God.

This defeat, which coincided with that of the Duke of Maine in Paris and of the Parliament in Paris, had been the starting point for renewed intrigue against the Duke of Orléans on the part of some of his most persistent enemies.

At the end of the summer, Stanhope had warned Du Bois of the plot which was being hatched, and the abbé discovered a little of what was going on in the house of Cellamare in the Place des Victoires. The Place des Victoires was the centre for a swarm of feeble plotters who were left with very little to do since the Jacobite court had been broken up at Saint Germain upon the dismissal of the Pretender. The Duchess of Maine kept receiving dangerous reports from all these queer sets of people. Certain careful inquiries brought to light the fact that Philip V was making preparations to march into France. Further, the abbé found out that two of the crazy conspirators had departed and were nearing Madrid with the last dispatches from Cellamare. He had decided to have them seized and to lay his hands upon the ambassador. This necessary step would provoke the opening of hostilities between the two countries.

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So there was France going to make war again! That was sure enough but it was a war whose only aim was to ensure perfect peace. . . The Government intended in addition to proclaim that she was not attacking Spain any less than she was attacking her criminal minister. But before getting too deeply buried underneath these subtleties there was a still more important matter to be put in order. The treasury was empty and no fighting can be carried on without money. An idea suddenly struck Du Bois, who whispered a few words into the ear of the regent: in short the Royal Bank must be started, although Law—by this time satisfied that he had everything under his own control—no longer spoke of it.

The regent thoroughly approved of the suggestion. And so on the 2nd of December Law was commanded by His Royal Highness to appear at the Palais-Royal in secret and by night. Law obeyed, but not without fuming against the absurd mystery made of his visit. He crept along the walls, found the secret door, and gave the three taps required before he was let through. A footman carrying a lighted torch appeared at the steps of a winding staircase. Law followed the man through a number of darkened rooms, crossed the drawing-room which faced the Rue St. Honoré, and entered the adjoining room where the Duke of Orléans and the Duke of Antin were awaiting him.

The latter, an avaricious, mean-spirited man, who had been recently a member of the Council for Home Affairs, was connected with the regent's family through the Duchess of Orléans who was his half-sister. In fact he was the son of Madame de Montespan and, odd as it may sound, of Monsieur de Montespan.

Law having made his bows sat down at the end of the

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table and prepared to listen. As is very often the case at meetings of this kind, they did not tell him all there was to tell and, on the other hand, they did not conceal as much as they wished to do. However, he grasped quickly that the two dukes were laying a trap for him and he prudently disguised, under an appearance of stupidity, the feeling of mistrust that came over him.

The Duke of Orléans turned his weak and injured eyes in the direction of the banker and said what he had to say firmly and gently. The State would very soon be in need of vast sums of money; it was absolutely impossible for the treasury to furnish those sums; it was difficult to levy fresh taxes without the support of the Parliament. Then His Royal Highness had recalled a conversation with Law at Marly a long time ago and certain wonderful promises which that good fellow had made. The time had come when His Royal Highness no longer turned aside those promises.

The invitation was perfectly plain, but Law pretended that he did not understand. After a while he did discard this innocent pretence long enough to propose the creation of nine hundred millions of notes to replace the same in *rentes*, the aforesaid money never needing to be paid back or to bear any interest.

This very poor expedient did not appeal to the Duke of Antin. Law could only admit that he was powerless. Silence would have lasted forever if the Duke of Orléans, growing weary of biting his nails, had not attacked him in his turn with a touch of humour. It was not at all clear why a man who had besieged, as Law had, the late king, Desmarets, and himself, the regent, for the purpose of obtaining the authority for establishing an extraordinary system, should

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now stand back just at the moment when it was agreed to. Had his calculations been wrong? Law proudly protested that they had not. His Royal Highness knew how to turn his simplicity to account.

"Then why are you silent?" he asked.

Law persisted in his silence because custom did not allow the truth to be told to princes. Could he declare to the Duke of Orléans that His Royal Highness's ease in the matter frightened him as much as did the greed of the court, and that he had not the slightest doubt that to give the bank over to the king meant to hasten it to certain ruin.

With great courage he tried again to save it. With that aim he suggested that it should become the Royal Bank but that his own bank should be carried on by the side of it. He had private hopes of being able to bring the second undertaking to an end as soon as the war was over; and he was still clinging to his great dream of constituting in the heart of the State itself a strong and independent power which would serve the interests of the country without ever becoming the slave of the dangerous will of successive governments.

When this request had been roughly refused by the Duke of Antin, there was nothing for Law to do but obey. He therefore agreed to give up the bank to His Majesty and to start his System going. But it was upon one condition and this he formulated in a mysterious voice, for he had noticed that the French did not dislike a little touch of quackery. The System was a very complicated machine. He alone knew its mechanism . . . If he could be given an absolutely free hand he was bound to triumph. But if he was interfered with, he would in no way be answerable for the disasters that would

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result. Everybody knows that magicians have secrets of their own; His Royal Highness was not at all shocked by his claims. He was only too pleased to fall in with his wishes and promised all that he asked. And in order to give Law an immediate proof of his good-will he empowered him to draw up rules for the management of the *Banque Royale*.

It was then agreed that this should be read out on the following day at the same time and in the same place.

The regent approved all the details. He fairly estimated that the king would pay back the six millions of the first capital, as he had decided never to pay them. He listened without a frown while article 7 was read and did not notice that at that point the banker rather hastened through the debit. It was there stated that notes might be made, as the bearers preferred, either in *écus de banque* or in *Livres tournois*. Thus Law never guaranteed a fixed currency, and so he tried to do something towards protecting the bank which for the future was to be subject to royal caprice.

The rules of management having been accepted, he read out a high-sounding decree announcing that the bank would be opened on the 1st of January following and in this he could not avoid taking some little praise to himself.

His Royal Highness still expressed his approval. A final conference was arranged for the following night. It was necessary for them to go through the comedy again in the presence of the Keeper of the Seals.

The regent saw the Duke that same afternoon. That tall, lanky fellow with red-rimmed eyes was quick to grasp all the advantages of the *Banque Royale* when he had been paid a round sum of money. Then he warned d'Argenson that the least slip on his part would cause his dismissal. The de-

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cree was then put before the Parliament which rejected it by a vote of 84 to 23, with a humble entreaty to the king "graciously for the good of his property to have other expedients sought for, which would be more suitable for His Majesty and at the same time easier to carry out." After this, the Duke of Orléans declared that the decree was passed.

Now that Du Bois was easy in his mind, so far as money was concerned, he spread his net at Poitiers for Cellamare, his conspirator, and proceeded to examine his papers in the Place des Victoires. The Ambassador, now sure that he was to be arrested, never left his tomb of an office. The abbé made himself ill from laughing as he told Law about it, but Law already felt a certain lack of confidence in him, which possibly the minister shared.

While preparations for war were thus lightly being made the chief director was busily employed in getting everything ready to start the new bank. He still had the same officials: Fénelon, Bourgeois, du Revest, Vernezobre, Poterat, Raulx and the others, including Bonneral, a cashier who had made some sort of renown in Paris by always wearing gloves when handling money. (A marchioness had recommended Bonneral to Law. The man's manner clearly showed he believed himself to possess many fine qualities.) All that had to be done was to double the number of printers, of whom there had been until now only two, and to make them work day and night. In the course of thirty months the bank had produced fifty million notes. Now thirty millions had to be made in fifteen days. Fénelon, Bourgeois and du Revest were signing incessantly and their poor hands were quite blistered.

Law went on preparing one decree after another. On December the 27th, while the Duke and Duchess of Maine

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were being put in prison, he opened branch offices, at Lyons, La Rochelle, Tours, Orléans and Amiens, each furnished with two accounts, one of which was to be used for the purpose of settling bills, and the other for paying out on demand. He next prohibited the transport of gold or of silver specie to any of these towns, so that the public might become familiar with notes. On the 1st of January, 1719, a fresh decree was issued prescribing that copper coin should no longer be either given or received in payment of sums exceeding six livres, and that silver coins might no longer be made part of payments exceeding six hundred livres: these rules applied to Paris and the towns where branch offices were established.

He had even said to the regent: "People must be compelled to accept paper money." He was now beginning to put his theories into practice.

All that he had to do in starting the *Banque Royale* did not hinder him from thinking about the merger which he was engineering—as he had always vowed to do—with the *Compagnie du Senegal*. Nevertheless, he definitely dismissed the clock-makers, gilders, and carpenters whom he had got over from England and who were then living at Versailles in the stables and the house attached to the *Parc aux cerfs*. These people produced nothing and caused much trouble.

The whole of February and March were spent by Law in building up the System in his own quiet office. He talked things over with Vincent Le Blanc, one of the most famous and redoubtable men who have ever concerned themselves with paper money. This Le Blanc—a man who bustled about a good deal—had done a great deal to help in the launching of the *Compagnie d'Occident*. But to-day Law found him very

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dull and flat. Shares were dragging in a beggarly way at about 300 and they had been first issued at 500! What could the stockbrokers, who for the last twenty years had been carrying on their business in the Rue Quincampoix, be up to? Could Le Blanc tell him that?

"Is it true, Monsieur Le Blanc, that you are not interested in any shares except those of Monsieur Aymard Lambert?"

"Well, you know, that is a very sound undertaking! Monsieur d'Argenson protects it. You must not forget, Mr. Law, that I am both a stockbroker and an official. My position as secretary to the king compels me to consider my official superior, the Keeper of the Seals. I have no intention of ever going back to the Bastille! I have been there too often!"

"A man of means worthy of the name never gives a thought to such trivial details. So you are not coming in with me any more? Some day you will be sorry for it."

"You may be the first to regret it, Mr. Law," answered Le Blanc.

"Oh! I am not afraid of that."

"Mr. Law, a man is always in the wrong if he is not afraid of Le Blanc." The speaker went off with a show of insolence and forgot even to bow.

"Bah! Bourgeois will find me others," said Law in no way disturbed.

April was a delightful month . . . The Prince de Conti, whose coaches were nearly in readiness, had to leave Paris very soon for the sieges of Roses and Palamos. The campaign was going to begin. Berwick was disposing his troops to lay siege to Fontarabie and it was said that on the 1st of May the army would be drawn up in battle array.

Law was rejoiced to see the prince so anxious to get away.

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"War does serve some purpose," he remarked.

He was not so much pleased when the intentional error in article No. 7 was at last noticed, for the regent ordered that it be corrected immediately. The notes must be protected against any variation in the value of coin, although they were still issued in *livres tournois*. That was for the purpose of giving them the advantage over metal currency, and was in accordance with Law's theories. Quick to change his opinion, he refused as a prudent man to draw up, as usual, the decree which appeared just the same on the 25th of April. Strange to say, he did not trouble himself about the matter.

He looked as lively as a man ready to fight in a battle which he was bound to win. Good humour shone all over his calm and still handsome face.

"Catherine," he said to his wife, "now you are going to see what I can do."

At the wedding of d'Argenson's son (the one who married forty million livres) everybody admired his fine, striking presence and his polite, easy manners.

In order to convince the public that he was settling permanently in France, and upon the advice of the Duke of Orléans, he bought from his former enemy Crozat the estates at Tancarville. It is true that he paid too high a price: but that did not matter.

"How are your enterprises in Louisiana prospering?" enquired the sly financier when they had settled the matter together.

"Much better than they did in your time," responded Law, in a tone that the late king himself would never have used in addressing the rich and mighty Crozat.

CHAPTER SEVEN

The shopkeepers in the Rue Quincampoix knew most of the stock-brokers by sight from seeing them go in and out of the commercial houses, and they noticed several times during the month of May that Monsieur Le Blanc often laughed to himself on the way to his office.

He had just discovered Law's latest dupe, a man called Andre, who only the day before was absolutely ruined and whose notes were not worth the paper they were printed on and now there he was back in his old haunts quite at his ease and wearing a new coat which had been paid for by Bourgeois. It had amused him to hear the fellow bragging among the other men drinking round him, of the *Rainton Café* or of the tavern called the *Wooden Sword*, and to see him snapping up the shares issued by the Company of the West from the astonished brokers. He didn't want any of them. The poor devil was merely carrying on his own trade! But it exasperated him lest others might go and do the same thing. And they could not all be in the bank's pay.

"Hullo, you Mississippians!" Le Blanc would shout out in a loud, mocking voice.

It was an odd operation, realised for the first time in France by the director of the *Banque Royale*, which was at the bottom of this sudden action. A few days earlier Law had publicly bought two hundred shares which would fall due in six months' time at five hundred livres, that is to say, at a premium of two hundred livres. For the purpose of astonishing the stock-brokers all the more he had then immediately paid out as deposit the forty thousand livres difference.

Simpletons, always easily taken in, were thereupon certain, when they saw a man who knew the ins and out of the game

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so well, do such a thing, that the shares would rise. They were already rising.

"For goodness' sake let them rise, then," said Le Blanc, "for you are throwing yourself away underneath them."

He merely shrugged his shoulders when the blinded men, trying to bring him to their way of thinking, repeated the figures which Andrew had quoted to them.

"We—we others—have got the *Ferme générale* in our hands," replied the great stock-broker. "Just you come and join the *Anti-System* instead of believing in that thief. You would do a better business."

All the contradictory rumours then spread beyond the people in the Rue Quincampoix and at last penetrated into Court circles.

Even if the Duke of Orléans, the Marquis of Lassay, and the ever greedy Duke of La Force already knew what to do, most of the gentlemen attached to the Court asked Law for his opinion. Wisely considering that, in those kinds of business, secrecy was the foundation of success, he advised them, but without explaining anything to them, simply to do just what his emissaries were doing.

"Buy when André buys. Sell when he sells."

In drawing-rooms ladies, playing the latest fashionable game of building castles with cards, were inquisitive and asked, "What is a share?" The Countess de Verrue, the mother of the Princess of Cazgas Carignan, and formerly the mistress of the Duke of Savoy (who had stolen Victor Amédee's collection of medals and fled from Turin) already knew. She started to acquire the paper money in imitation of Miss Trent, an Englishwoman living in Paris who had been put up to it by her compatriot Lord Gage—Law's one solitary confidant.

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The hub-bub around the banker became worse and worse. People were wanting to know when they were to see the system which no doubt the poor ignorant creatures supposed was a machine very much like the one at Marly.

"Nothing is ready yet," replied Law and made his escape gracefully.

As a matter of fact, everything was ready. That at least was the opinion held by people who had been paying sharp attention, ever since the end of May, 1719, when the edict appeared incorporating the *Compagnie des Indes Occidentales* and the *Compagnie de Chine* with the *Company of the West*. The new company took the name of *Compagnie des Indes* and as it inherited the various privileges possessed by the earlier companies, it became the mistress of the ocean. It was easy to suspect Law of wishing to gain control of all the sea trade in all parts of the world, and the *Compagnie d'Afrique* and the *Compagnie de Saint-Domingue*, though they were still independent, had had very good reason to fear that their days were numbered.

In the face of the murmurs raised by this monopoly—actually existing and what might be to follow—the Director of the bank proudly insisted that he should be protected from his enemies: he had a special care for his own personal safety. The regent was amused by Law's persistent fear and sent him Monsieur de Beuzwald, major of the Swiss Guards, with orders never to quit him.

As may often happen Law felt that he was being threatened because he himself was becoming threatening. He was winning triumph besides, in a manner displeasing to the French. It was too aggressive. His habit of criticising everything and never thinking that a thing was well done unless

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he did it himself was only too plain in the decree uniting the companies, in which he placed in the mouth of the prince insolent words calculated to hurt the feelings of his predecessors whom indeed he accused of incapacity.

The Parliament having received a copy of this document for the purposes of enactment did not hesitate in these circumstances to bestir itself. It called a meeting of the former directors of the *Compagnie des Indes*, Champigny and Sandrier, the syndic, and then the Malouins, who were controlling Indian trade, and the director of the *Compagnie de Chine*. Not one of these missed the chance of protesting against accusations against them. Then the deputies were asked to give their opinions about the decree. The one from Lyons stated that the silk and cotton trade would be ruined in France if Indian goods were allowed to be imported. The one from Rouen ridiculed such restrictions but wished to put an embargo on spice. The deputy from Bordeaux was indignant about everything.

The latter was no longer the worthy Fénelon. In February he had begged to be relieved of his office as the *Banque Royale* was taking up all of his time. He was furious at Billate's—his successor's—stand. Law soothed him.

"It will always be like that. If you are concerned with anything but the general interest you will have private interests against you. The deputies are not yet sufficiently advanced in these questions to understand that all trade and all financial matters should be under one single control, namely, that of the State. When we have arrived at that point, and I shall do my utmost to attain it, we will have the Golden Age on Earth."

This was not what the Parliament thought. It preferred that

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trade should be left to the various companies. Therefore the decree of the 17th of June was rejected. On the evening of that same day the council, by order of the regent, decided that the decree should be considered as passed.

So far the babbling on the part of the legislators had been of no avail.

The privilege granted to the *Compagnie des Indes* provided that that Company should pay the debts of the two defunct companies to which was soon to be added the *Compagnie d'Afrique*, absorbed, also, in its turn. With this object in view the *Compagnie des Indes* was authorized to increase its capital to the extent of twenty-five millions by means of 500,000 new shares.

In this way Law, according to his own ideas, was creating wealth and, as he was faithful to his other principle that cash must always be equal to any demands made upon it, he first of all begged the council to authorise the bank to print one hundred million more notes.

On the 10th of June the mills started to work at the very moment when wicked old rake d'Effiat was giving up his soul to God—or to the Devil. It should have been rather to God who was punishing him for his avarice by making him die at such a glorious time.

Ten days later the subscription for these shares was opened, and the bank was selling them for 500 livres with a premium of 50, so that they might be looked upon as equalling the former shares which now had reached that price, though they fetched only 75 livres in cash. The Bank was willing to accept payment in nineteen monthly installments.

Law was anxious to know what welcome the public would give to this advantageous arrangement. On the 20th of June,

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he arrived early at the bank which, since the previous April, had been located (together with the company and the *Ferme des Tabacs*) in the Hotel de Nevers in the Rue Vivienne (now part of the Bibliothèque Nationale), for the Hotel de Mesmes was no longer suitable for such a large undertaking. The number of officials had been increased and workmen were putting up more offices. The enterprising Law had acquired six other houses near-by, intending to have them demolished and to build in their place one immense, superb structure for the public exchange similar to those in London and Amsterdam and large enough to include the Post Office, then located in the narrow Rue des Bourdonnais.

For the time being, Law was thinking of nothing but future subscribers to the company. He stood trembling behind a window watching for the first comers. On the following day he was delighted to see the numbers continually increasing. He had not expected the public to be so enthusiastic and he now made a quick and clever decision. Under the pretext of favouring early buyers of the shares, but really for the purpose of causing a general rise in the price, he obtained on the 30th of June a decree compelling the buyer of one new share to present four old ones.

The result was not unexpected. Every one rushed to get old shares (*meres*) so that they could subscribe for the new ones (*filles*). People hurried as fast as they could from the Rue Vivienne to the Rue Quincampoix; as they went to and fro the market price of the share continued to rise; they very soon reached 600 livres, then 700, and still they were going up.

When once the subscription was over Law, leaving the misers to count over their gains, and the ignorant people to

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be astonished at his succeeding so promptly, saw plainly a danger which no one could help fearing.

The bank on one side and the Mississippi sales on the other had now monopolised most of the notes and specie available. Unless great care were taken the public would soon discover how rare both had become. Depending upon his old principle that there must always be enough cash to meet the demand for it, Law, quite logically and with due permission, struck a new hundred million notes on the 20th of July, and these had, in his own eyes, the double advantage of giving the required ease in the circulation of money and also of preventing subscribers from parting with their shares for the sake of getting money for their ordinary needs; for this would have started a fall in the market.

No sooner was this alarm dispelled when Law discovered another which was more serious still. The bank had already issued four hundred million notes redeemable at sight. At that time all the specie in the kingdom did not amount to more than one milliard and a half. Consequently there was a disquieting want of equilibrium between paper money and metal.

That same day—the 20th of July—with haste that was amply justified, Law claimed the position of Superintendent of Finance. As controller of all current money he would be able, in a time of crises, to protect the bank and maintain the use of paper-money by making up with metal. The nomination was wrested from His Royal Highness only an hour or so before the latter left the Palais-Royal to go to the Duchess of Berry, his demented daughter, who was on her death-bed.

The next morning it was known that the Princess had

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died and that her father had very nearly lost his reason. It was an inauspicious day for every one.

At eleven o'clock Bourgeois announced to Law that the English *South Sea Company* wanted to draw out immediately the several millions which it had put into the bank. What was to be done?

"Pay it out," commanded the Director.

Behind the London company, which William had brought to his notice not long before, he had at once seen the hideous shadow of Blunt who was its leading spirit. The old Puritan had grown more powerful since the days of the Piccadilly tavern but he still retained his inexplicable hatred for his former companion: "Such an atrocious act of vengeance is worthy of a man like that," remarked the banker quickly resuming his usual calmness.

On the 22nd Law began to understand the wide extent of the plot. Vincent Le Blanc and the Paris brothers came in their turn to draw out very large sums of money. On the 23rd, imitated by a certain number of other people, they reappeared and brought waggons with them. What they intended to do was plain: They wished to ruin the bank.

The blow must have been prepared a long time beforehand by the six accomplices. But they waited for a favourable moment in order to carry it out. They could not have chosen a better time than when the Duke of Orléans, mad from grief, was incapable of government. On the 24th Law played his last card. He rushed to the Palais-Royal to force from the regent a decree to lower gold specie. He had decided to carry out the same measure that he had formerly praised very highly in Edinburgh when the crowd had made a run on the Bank of Scotland.

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And then a most unexpected incident took place. On the morning of the 25th there was more sensation. . . . A *louis* now could fetch no more than 34 *livres* instead of 35. People who were no longer tempted to exchange their notes of a fixed value for depreciated currency took ten millions to the Rue Vivienne. The bank was saved.

Law had beaten down his enemies. But he was still uneasy for he knew that they were redoubtable. Those he most feared were the four brothers Paris who were at the bottom of the mischief. For a long time past he had been watchful, and he had begged them to help, and finally in May he had proposed that they should amalgamate their *Fermes générales* with the *Compagnie des Indes* and promised each of the four a directorship. But their coldness had in no way decreased. They rejected the alliance and wanted war. Wisely enough Law could see that they would not consider that they had been crushed by one single defeat and that they would return without delay to repeat against the Company the attack which had just failed against the bank.

With the assistance of Le Blanc they were surely going to do all they could to lower the value of the shares.

At that moment there was nothing that could frighten the banker more for he was on the point of starting a fresh subscription of fifty millions, the product of which was to be used to settle for the cost of the money lent. In order to ensure a favourable reception for these new shares it was absolutely necessary that the prices of the old ones should be kept with even a further tendency to rise, and so stimulate the greed of the public.

It was on the evening of the 25th of July, immediately after the victory had been gained over the brothers Paris, that

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this most urgent problem was laid before Law. There was actually no time for him to find a solution both honest and prompt.

At a time when no one had suspected the recent attack made by his enemies he had called the first general meeting of the *Compagnie des Indes* for the 26th of July. Such a meeting rendered a speech necessary. While he was preparing this, with one eye on his watch as he did so, he quickly saw that circumstances forbade him presenting the true state of things to the shareholders.

How they would laugh among Le Blanc's friends in the Rue Quincampoix if Law were to declare simply that the Louisiana undertaking was doing wonderfully well, but that there would be no profits worth speaking of for several years to come. He was obliged to tell a lie in order to save the undertaking. He did at least try hard to tell the lie with all loyalty if that could be considered possible. For when all was said and done he had nothing but the colony! He added up the figures on a sheet of paper; tobacco revenue, cash, and what was due from the State paper money. When he got as far as trade profits his pen shook and his spirits sank. He went on to twist the total, he altered a 3 into a 5, and then scratched them all out. "There ought to be more," he said over and over again, as he tried to find a sum large enough to enable him to give interest equal to what the directors of the *Anti-System* had announced. His eager imagination and his will struggled tragically through the night against tough reality.

On the following day, confident of his ability to keep his promises, although he was nearly two million short in his balance—in spite of his determined optimism—he announced

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to the shareholders, who welcomed him with vigorous clapping of hands, that from the 1st of January, 1720, he would pay them a dividend of 6%; in other words, 60 *livres* a share. That was a serious thing to do.

Within a few hours the market price of 1,000 *livres* was reached.

On the 27th of July Law opened as before a subscription called the *petites filles* because in order to take it up it was necessary to hold five of the *meres* or of the *filles*. The holdings were of 500 *livres* but the bank sold them at the actual market price of 1,000 by allowing them to be paid in twenty installments of fifty *livres*.

At first Law had thought of separating the share from the premium and of insisting on cash for the latter, which would have been quite logical. But the dread of dampening public enthusiasm, and bringing down the price in consequence, forced him in this not to observe the true principles. Theory is one thing; practice is another. What he had to do before anything else was to make a stand in the face of the enemy and stop them from crushing him.

The 50,000 shares were taken up with extraordinary rapidity. They very soon rose to 1,500, 2,000 and even 3,000 *livres*. Le Blanc resorted to his former methods and started a rumour that the Spaniards had been ravaging the Mississippi territory: the price of shares went down a little but not enough seriously to affect them.

The first fortnight in August was noteworthy for a short-lived novelty. For, as Law put no new decrees before the Council of State, it thus enjoyed a holiday for the whole of that period.

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It was a delightful time! The war was progressing favourably, and no one was worrying about it: Paris was astonished to find in its midst a great man who had so long been misunderstood, and the regent was surprised to see that the treasury was no longer empty for one stroke of the pen was enough to fill it again. The pensions arranged by Louis XIV, which had been suppressed by that silly fellow, the Duke of Noailles, were started again on the 20th of August and the grateful court was ready with thanks and talk to flatter Law to any extent.

Subjects forced out of the country by its misfortunes were now recalled. In the Rue Quincampoix the wealthy "Mississippians" kept up the prices of shares, which were now over 4,000 livres. Andre returned Le Blanc's sarcastic remarks: Le Blanc, now hand and glove with the brothers, Paris, was eagerly awaiting his time.

In the midst of the general revival of prosperity the worthy William Law set out from London for Paris. At the end of July he had begun to feel a little uneasy about his money. Soon after he was married, his wife, who was not yet acquainted with the genius of the family, had stirred up in his mind certain doubts which would never have struck him as a bachelor. John, absolutely self-assured, did all he could to reassure him. He happened to need a right-hand man upon whom he could depend, and he persuaded his brother to cross the Channel by offering him a directorship in the bank as well as one in the company. Although William was already fairly rich he had never made a tremendous fortune. He, therefore, accepted the proposal with delight.

John welcomed him in a lordly fashion. He let him have two houses in the Rue des Petits-Champs quite near the Hotel

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de Nevers for his residence. The younger brother would very much have liked to be attended by a major of the Swiss Guards, but he quickly understood that such an honour was not yet for him.

As for Rebecca—Mrs. William Law—she found her sister-in-law very haughty and her nephew and niece very proud. The young John, in spite of Marshal de Villeroy, who was horrified at such a thing, had been allowed to play with the king and he seemed to look upon this as no small honour. She greatly admired the most famous of the Laws—his proud bearing was so natural that he never caused them any embarrassment.

William began at once to investigate everything. He discovered that the Prussian Vernezobre was selling his credit and he strongly advised his brother not to trust him. He received the confidences of Fénelon, Revest, and Bourgeois, who were beginning to be tired of signing notes.

"My arms are giving way," sighed the gentle deputy from Bordeaux.

"Why have they not told me that sooner?" asked Law in astonishment when once he heard of this.

"Told *you*? They wouldn't dare to do so. You are such a mighty genius."

"You always discover the reason for everything so easily, William!" remarked Law without a blush. "Well, I shall prepare a decree authorising three other clerks to sign the notes. Then I intend to issue notes to the value of ten thousand livres; that will make the work simpler. But they really must let me have a little time. You know, don't you, *what* is keeping me busy just now?"

"Alas! I am not the only one who knows the important

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secret. It seems to me that your Vernezobre has got hold of it, if I can believe certain murmurs of his emissaries."

"What is that you are telling me?"

"Simply the truth."

"It doesn't matter now, for to-morrow, August the 27th, no one will be ignorant of it."

Perhaps Vernezobre had not held his tongue in his enthusiasm; but his emissaries could not have said very much. The public was so little expecting the astonishing decree that it produced an unprecedented effect.

The king was giving the right to farm the revenue to the *Compagnie des Indes* in place of Aymard Lambert; thus the *Anti-System* was destroyed under the helpless gaze of d'Ar-genson who, as a good courtier, accepted the affront without making the slightest complaint.

The brothers Paris had paid forty-eight millions and a half for the tax grants. Armand Pillavoine, otherwise Law, had snatched this from them by giving fifty-two millions. That was a good stroke of business for the State as well as for the adjudicator. The chief advantage of this operation was, in his opinion, that it put him safely out of reach of the underhand tricks and traps laid for him by Vincent Le Blanc: certain of the traps would have been successful if the director of the company, who was incessantly upon the watch, had not made a point of quelling the first mischievous results by means of costly counter-operations. The fresh instance of success humiliated the opponents. Le Blanc himself surrendered and joined the service of the bank.

In one stroke Law had torn the nest of vipers out of the Rue Quincampoix. But as he was not one of the mean-spirited financiers who could think of nothing but their own personal

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interests, he intended to go still further and do greater things. For one thing, he would destroy the tax imposed yesterday upon the brothers Paris. He was anxious to do what was best for both the shareholders and for the kingdom. He next declared that he would yield no part of his privilege to any one. Being now the chief of the Receivers of Income Tax, he decided to work the whole administration down to the very smallest detail through his own company. He promised reforms and economy. He was going to suppress farmers-general and receivers. He also announced distinctly to the farmers-general and receivers themselves that only the most capable men were to be kept on in the service. Of these he selected thirty and made them directors at a salary of 6,000 livres a year. The time of petty tyrants was over. This he said without any suspicion that they were just about to witness the use of one who was more formidable than the others had ever been.

He was then almost at the height of his power. He had the administration of the tobacco revenues, the mint, the public finances, the bank, sea trade, and Louisiana under his control. There was thus nothing left for him to take except the humble *Compagnie de Saint-Dominique*. This indeed he was yet to seize: but that was later on.

First he had to carry through a tremendous work which was to be the crown of all his efforts and he had this in mind when he drew up Article 4 of his new contract. He was preparing to annul the State debts.

It was necessary to reimburse the receivers-general, the public offices, the shareholders of the *Anti-System*, as well as the paper money held by the receivers and the last State notes. Well! He would pay back everything. How much was needed

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for the purpose? At first he had said 1,200 millions. He was now offering 1500 millions which he set himself out to find. With that object in view, he opened, on September 13th, a fresh subscription of one hundred thousand shares at 500 livres each. The old ones were worth 5,000, and the bank was selling them at the same fixed price and demanding but a tenth part in cash. Another graceful act on the part of the bank was that it no longer compelled a buyer to have *meres, filles* or *petites-filles* in order to obtain these *cinq cents*, as they were called.

At once there was a rush for the Rue Vivienne. Were they short of funds? If so, people merely had to sell out their old shares, which were falling to 4,000 while the new ones were going at 8,000. However, the general enthusiasm was not shared by the stockholders who were compelled to pay the higher rate in the Rue Quincampoix for what they ought to have been able to buy for 5,000 if the stock-jobbers had not already snapped up everything. They protested.

Law, who was always obliging, acceded to their protest and satisfied them. On the 22nd of September he brought out a decree which declared that in the future the bank would refuse metal and accept nothing from subscribers but securities and notes.

On the 28th he launched an additional hundred thousand shares, another hundred thousand on October the 2nd, and yet a further twenty-four thousand, which no one seemed to have authorised on the following day. In this way the 1500 millions were far exceeded.

It was no longer a rush: it was a battle. The approaches of the Hotel de Nevers were so crowded by coaches and people that any one venturing to go there risked his life. Some of

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them were roughly treated, trampled upon and even crushed. Blood trickled down over the sweat. People were pushing, shouting, jostling each other, and stepping over the bodies of those who had fallen. There was no one who did not want his share in the fortune which was within such easy reach—just beyond the railings of the gardens. They did everything to find a means of getting shares without thereby losing a leg or an arm in the scuffle. Some of them bribed the doorkeepers; some recollected that they knew a man who knew an assistant-cashier, or one of the clerks. They even went down on their knees to them, and overloaded them with gifts. One hour saved meant a gain of 1,000 or 2,000 livres or more on each share. In order to get through the crowd more quickly some men pretended to be Law's footmen.

As for the nobles, they went straight to the mansion in the Place Vendôme; it had better be called by this name for the public disliked the name Louis-le-Grand. The dukes and duchesses mounted guard in the street outside the house and addressed their entreaties to Thierry who was in charge of the gate. Was the great man himself really not to be seen? They were insistent; they forced their way into the hall; at last they even got inside his private room. Women were the most persistent. They coaxed him by calling him "dear Law," and were never weary of praising and flattering him before they made their requests.

"You are the mainstay of the monarchy."

"The genius who has restored a ruined kingdom: let me have . . ."

"There has never been a work comparable with yours."

"You will be blessed by men in the time to come as you

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are now blessed by the living; I should be glad to have one hundred shares."

"You have effected what the great Louis XIV was unable to do; will you very kindly . . ."

In the evening Law told his wife of the amusing experiences he had had, and he laughed heartily.

"And what about you?" he asked. "Have you had many duchesses?"

"Thirty at the very least. They will wear me out completely. They are the most tiresome creatures in the world."

The Place Vendôme was brought into some disrepute. There was fighting in Rue Vivienne, Rue Quincampoix; but when leaving one or the other, one went gaily on towards the making of a fortune.

The value of the shares was rising higher, and higher, and higher. It was possible to sell, buy back, and resell, and to go on growing richer all the time. Until recently business had been carried on indoors. But was there still time for going inside a house, for getting up the stairs, and pushing a door open? So now they were doing their business in the street as the men did in London. There was not space enough for every man or business to have a separate room. They had already got artisan's shops, in exchange for quantities of wine, and all rents were rising to exorbitant prices. The hire of one dingy stall was costing more than the rent of a whole house would have cost a year earlier. One stall was so small that the fellow who ensconced himself in it could not squeeze in a table. Houses had been divided up into offices occupied by men from Germany, Italy, Switzerland, Geneva, Italy, England, Holland, Flanders, Lyons, Languedoc, Normandy and other parts of France. For the time being every

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one was a stock-broker, from the Lord Treasurer of France down to the watchman in a cellar of a shabby tavern.

It was not only shares which were so much in request. In those foolish days people were grabbing at all the paper-money which up to the issue of the decree of September the 22nd would have been looked upon as waste-paper. They were selling, and buying, black notes, white notes, no matter what, so long as it could be exchanged at the Rue Vivienne. They were indeed exchanging anything. A rogue some days earlier had slipped burial-papers into the hands of some simpleton in place of shares. Moreover, no one ever thought of wishing to pay with the filthy metal coins refused by the bank. "So you have nothing but gold? then we can do nothing." It might happen that some perfidious fellow would insist: and then the honest stock-broker would not hesitate to draw his sword. The crowd separated them, but with feelings of indignation against the traitor.

All sorts and conditions of people were to be found in that jostling crowd, in a state of equality hitherto unknown; there were the highest nobles, great lawyers, learned doctors from the Sorbonne, dirty monks, fat priests, abbés, cardinals and beadles.

The Duke of La Force had gained eight millions, he was going to make twelve, and would prefer twenty. The Prince de Conti, who had not distinguished himself in the war and had recently returned in a litter, had been there all day. His coarse ugly face appeared here and there as he walked about with his hands in his pockets.

Long lines of coaches and carriages were drawn up along the Rue Aubry-le-Boucher as far as the Rues Saint-Denis and Saint-Martin. Queer people mingled with the stock-brokers.

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In order to show the unsuspecting how things were done, and for the sake of a fee, there were mechanics, financiers, clerks, pickpockets, and tricksters, who appeared one day in soldiers' clothes and the next in an abbé's, and wormed their way in and out among the crowds. Bright-eyed girls lightly robbed the pockets of the poor harassed men. Hideous old hags, making a wretched pun, promised the provincials *petites filles*, which otherwise meant girls of the town.

Noble ladies came to the Rue Quincampoix to be amused. In the morning they came to drink coffee. The wives of the two financiers, Savalette and Villemur, started that fashion. In the afternoons they played quadrille.

The wine-shops, the taverns, inns, and small cook-shops of the neighbourhood were never empty. Everywhere was heard the cry of "10,000, 11,000, or 12,000," as the case might be. Numbers of people were winning castles: and as many were losing.

"Who is that? Who is that?" the ladies wanted to know.

"That's Bragousse. That's Jossier. That's Andre."

Andre! His velvet coat was covered with gold embroidery. The time when Bourgeois had paid Andre's tailor bills had long since passed. He now possessed countless millions and was making preparations for the marriage of his daughter—aged two years—to the Marquis d'Oise. The grandfather, who was a dealer in skins at Montelimar, was prostrated with joy.

People rather poked fun at the self-made men but at first they envied them. They were smothered in millions: and they spent them with such zest.

Madame La Chaumont, whom Law had employed in the early days of the *Anti-System*, was now buying a castle or a

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mansion every day, and ordering tapestries from Gobelins. She served one ox, two calves, and six sheep at every meal in her house. Dalmes, a parricide who was condemned to death at Bordeaux, had actually bought a gold chamber-pot for his bed-room. And Saint-Germain, a painter who had studied at Tournai, and used to buy and sell pictures, had ninety servants, four of whom were young ladies of good birth who acted as chamber-maids. The meals he offered his guests were renowned. At a touch, a fine large melon would put forth tiny fountains of spirituous liquors which were delightfully fragrant. Then the master of the house would lean lightly upon a hidden spring and forthwith a mechanical figure would begin to walk around the table pouring nectar into the ladies' glasses.

Money-changers, abbés, tavern-waiters, footmen, all had made immense fortunes. It followed that notes worth more than gold were lightly spent by them.

A servant, who had in the course of one day become a millionaire, ordered a coach for himself. It had to be the very finest there could be, including a coat-of-arms. They gave him those of the king—and he was taken to the Bastille. Brigaud, the son of a baker at Toulouse, and no less a fool than the other, bought up a complete goldsmith's shop and told his wife to make suitable use of the various objects at a sumptuous supper which they were giving. The guests were unable to restrain their laughter. A censer served as a sugar-caster and chalices were used as salt cellars. Soup was served in an offertory basin and a roasted joint appeared in a wash-basin.

They were altogether unheard-of times. Never again would they see anything of the sort! That was what the philos-

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ophers said. Madame de Begond had met her former cook—Marie—at the Opera, and she was wearing jewels finer than those of her former mistress.

It was not only Brigaud who emptied the shops! The expenditure in all directions was tremendous. Money taken at the theatres increased ten-fold. Every one wanted to have a coach of his own and the traffic in the streets had become hopelessly difficult. New taverns were continually being opened. Foreigners were arriving in such huge numbers that there was no place to put them up. If there was room for them it was only available at fabulous prices. A sense of values had been completely lost. To crown all, at the sale of books belonging to the Abbé Baluze, the famous scholar, an edition of Seneca printed at Rome in 1455 had fetched the unprecedented sum of 501 livres. Chesneau, whom Law had sent to the sale to buy some books for him, was overcome when he heard of it.

Luxury was making its way into every class. Nobody was willing to live simply any longer. Footmen were wearing gold-threaded cloth and masters were decked with huge diamonds which were insolent in themselves. Never before had such refinement been seen. On the other hand, never had people been so coarse. Young men were no longer making love to women. They thought of nothing but money and giving themselves over to the lowest debauchery. Future generations would suffer from this wanton dissipation. So said Madame to her son the regent: "We never used to hear such horrible stories as we do at the present time." But the doughty lady was not blaming Law for that: he was a wonderful man for finance. Had not her own income, thanks to him, just been increased by one hundred and fifty million livres?

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Law made gifts with the greatest ease. He sent them to everybody, to Madame de Prie, to the Duke of Bouillon, to the Prince of Soubise, to the Marquis of Rochefort, and to the Count of Clermont-Tonnerre. Nobody had been forgotten: not even that wretch, the president de Mesmes, and that drunken Rouille du Coudray, and his old enemy the Duke of Noailles who had pocketed two hundred thousand livres. The regent's "*roués*" and the mistresses, they, too, had their notes and their shares. A packet of them was sent to the little king for him to play with, and he distributed them at random. In this way his body-servant had received twenty-five thousand livres worth of shares which in the Rue Quincampoix realised a fortune for him.

"Mr. Law is very polite!" was the opinion of him at court. A grateful duchess had kissed his hand in public. "And let other women kiss it too!" cried the lively mother of the regent when she heard of it. A certain great lady had her coach upset in the Place Vendôme on purpose to attract Law's attention.

Poor man! He was having no rest either day or night. People were either pestering him with requests or they were fêting him as if he were a prince. He was also forced to see engravers who begged for the honour of taking his likeness so that copies of his portraits could be published. Poets were writing verses in his praise. And the wags took their turn at him, but good naturedly. One short stanza:

*Je crois qu'on le deifera
Et nous verrons un temps sans doute
Ou quand quel qu' un eternuera
On lui dira: Law vous déroute.*

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When he heard what they said he merely shrugged his shoulders, much more flattered than hurt. The whole court was at his doors. The Papal nuncio, leaving his beloved mistresses for an hour, came to make his bow to Miss Law, who gave a ball to celebrate her seventh birthday. Law's son was the playfellow of Louis XV. The letter he had received from the pretender to the English throne, asking for help, was still lying on his table: "I am applying to you as to a good Scotsman and a faithful servant of the regent." Lord Belhaven, then gambling in the Rue Quincampoix on behalf of the Prince of Wales, announced that the prince himself was coming to Paris and wanted to see him.

At the same time the Duke of Argyll, calling him his old friend, sent the Earl of Ilay with the hope that Law would receive him. Law received him at once out of consideration for the man who had kindly protected him in earlier days.

Very much impressed by seeing so many fine gentlemen waiting in the vestibule, the Earl of Ilay entered Law's office. Mr. Law was very busy, indeed: the visitor apologised for disturbing him.

"Not at all," replied Law.

"But you are in the middle of a letter . . . and all those people outside . . ."

"It is their business to wait. I was just writing to Lauriston, to my gardener, to order him to plant my cabbages in a certain way. And to show Your Grace how I treat the crowd at the door, I am going to have a comfortable game of piquet with you."

He was glad to let his fellow countrymen see what power he had in France, for he still had a secret grievance against England for having rebuffed him in years past. He pardoned

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Edinburgh only, for that city was at last proud of having produced such a great man and had made some acknowledgment of her mistakes by granting him the freedom of the city by means of a fine document contained in a gold casket worth three hundred pounds sterling. That was a dignity which would be added to the titles he was buying every day. In addition to Tancarville he now owned the estates of Roissy, Guermonde, Domfront, Effiat, Riviera, Toucy, Orches, Yvelle, Serville, Gerponville and—how many more? He had lost count of them. There were too many. He was a count, and a marquis two or three times over; he would end by becoming a duke. It was chiefly to flatter Catherine, who was so vain that he had taken the trouble to acquire so many properties to please her.

So far as he was concerned he would have been quite content to be called the greatest genius in France. But there he made no compromises whatever. He did not allow the least contradiction in matters over which he had control. Neither did he approve of any one who was not interested in his affairs. That was the reason why he hated Crozat and Lord Stair, the British Ambassador and a Scotsman like himself, who had been quite friendly with him, but with whom he was angry for not taking part in the Mississippi Scheme. This was beginning to irritate Du Bois who was weary of the bickering going on between the two enemies. Stair was reproaching Law for being so intimate with Belhaven and Ilay—both of whom sided with the Prince of Wales who was cursed by the king—and for the gifts he bestowed upon the Jacobites generally and, more especially, the pretender, the Chevalier Saint-Georges.

“Do be prudent,” advised the abbé.

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"Stair is a fool, of whom I should be well rid," answered the financier. "Do not worry me with any more of those trifles. Let me get on with my work."

He was, in fact, working at a furious rate remodelling everything in the kingdom. The director of the bank was not content with printing notes with dangerous obstinacy; he was also busy concerning matters of trade and agriculture. He had in his mind the idea of depriving the clergy of their uncultivated lands and giving them to the peasants. He wanted asylums for the poor built in all parts of the country. He encouraged fisheries, and helped manufactures with substantial loans. He took an interest in large undertakings and furnished funds for building the bridge at Blois and for digging the canal at Briare. He wanted to have barracks built in the provinces in order to spare the inhabitants from having to house the troops. He was taking steps towards making Paris a sea-port.

The master of the general revenue grants, which since the previous September had included the salt-mines of Moyon-Vic and the salt-taxes of Alsace and Franche-Comté, had definitely gotten rid of the receivers-general. The new administration was already effecting an annual economy of two millions.

He was on the point of abolishing tolls throughout the country to make grains free. He was not only hastening to bring into force this much needed reform, he was also reducing import duties on oil, leather, tallow and wines. He simplified the most complicated laws. He removed the tax on playing-cards—he owed so much to them! He abolished the officials connected with the ports, harbours and markets of all kinds in Paris and this lowered by as much as 40%

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the price of wood, coal, hay, bread, game, poultry, butter, eggs and cheese.

He did all this because he wished to oppose the high cost of living and make himself popular. He never seemed to suspect that the high prices were brought about by the enormous quantity of notes he had issued, which then amounted to one billion livres.

Early in October he had sent for the leading butchers of Paris to question them with reference to the high prices of meat. He was not satisfied with the answers the tradesmen gave him: they blamed the prolonged drought. He threatened them:

"I shall have to force you to find a means of supplying meat to the public at the price I name. Otherwise it shall be supplied by others."

He declared himself no less in favour of free trade and gave evidence of the fact by freeing hemp and tobacco. In this he was sacrificing himself to his theories for he was thereby renouncing, gratuitously, the privileges of his first tax grant. To uphold his interests he placed an import duty upon the product. He made it three hundred livres a hundred-weight imported from Spain, sixty livres if carried by the company's ships, and twenty-five livres only if imported from Louisiana.

In the midst of all these various occupations he did not forget the colony. Since the month of August he had endowed the colony with twenty-five millions of special notes bearing the seal of the *Compagnie des Indes*, for he was doubly anxious to place at its disposal an indispensable aid to trade and to draw into the coffers of the bank good solid Indian piastres.

He was forcibly developing Lorient, which until lately had

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been a small market town, into a modern port. He also devoted his energy with remarkable tenacity, though sometimes with little judgment, to increasing the population of Louisiana.

With Louisiana in view, he obtained, in 1717, a decree showing some originality, for it enjoined footmen and other servants to receive from their master or their mistress a certificate upon the day on which they left their service and to find another situation within four days. If they failed to do so they were looked upon as idlers and vagabonds and were liable to be sent to the Mississippi. By this means he had picked up a certain number of queer fellows and disreputable girls whose conduct could only be dangerous to public health. Later he did what he could to attract suitable people to Louisiana.

Through the whole of 1719 he caused engravings, to be distributed among the masses of people, which were calculated to mislead the more simple minded. For instance in the centre of a beautiful landscape—copied from representations of the earthly paradise in the popular lives of the saints—Indians were shown kneeling before the French, and the French appeared to be charmed. There were Indian women with large dreamy eyes, some of whom were being baptised. Law used Walter Raleigh's description of the Eldorado, which had delighted him in his boyhood, for the prospectus which he drew up and which he made still more attractive by inserting some of Captain Clinch's most amusing stories. Gold, silver, and precious stones were also plentiful in that marvellous land.

He had a plan of New Orleans published in the *Mercure*: it was really the finest town in the world—on paper. Adventurers and even some respectable people came forward, but not

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in large enough numbers. Law, who wished the matter seen to quickly, sought everywhere for emigrants. In the church of St. Martin des Champs he seized male and female prisoners, who were placed in two rows in readiness to be married in a trice. They had the free right of choice and were at once taken, handcuffed, through the town. At Bicêtre, in the hospital for foundling children, he made an offer of a million livres for permission to empty that institution without delay. But it was not long before a hundred and fifty girls revolted at Rochelle just as they were embarking. They threw themselves upon their keepers and clawed at their faces. No doubt they had some inkling of the truth.

There had been a very high rate of mortality among the early emigrants. Upon their arrival in the colony they found nothing but filthy little huts and no sign of any sort of conveyances. Certain of the leaders were of a rough and lively disposition on the voyage and had frightened the passengers by proposing to fling half of the expedition overboard and thus make the voyage more comfortable for the others.

Meanwhile Bienville had not been idle. From the beginning he had given up his idea of scattering the emigrants and had made up his mind to concentrate them at New Orleans and make it an important settlement. He had sent out scout-ships to reconnoitre the Mississippi and thought that he would soon be able to transport colonists by river. He had not given up all hope, and spoke lightly of the skirmishes which had taken place between the company's troops and the Spaniards who continued hostile to the French.

This judicious man enjoyed Law's approval. Former errors would now be corrected: and new ones would not be made. Bienville was also quite confident.

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Reassured upon this point, Law made ready for a great trading expedition on the African and Asiatic coasts, for he was always obliged to keep his many privileges in mind. That did not hinder him from supervising the erection of two new mints in Paris or from working for five hours a day at the Palais-Royal with the regent, the Keeper of the Seals, and La Vrilliere upon the means of repaying salaries and dividends, an immense affair which had never been carried out in detail.

So many undertakings taxed even Law's strength and he took to his bed towards the middle of October. The good William hastened anxiously to his bedside from that of Rebecca, who had just given birth to a son whom they had proudly called John. Law soon recovered: he had no right to be ill at the very moment when the Rue Quincampoix was beginning to be troublesome once more.

Prices were weakening and it looked as though they would sink appreciably lower. Law easily found the reason for this. It was nearing the end of the month and a great many subscribers were short of money for the next account. The majority of them had bought with the intention of taking their profits before the first distribution of the dividends, while many others bought on time payments by taking advantage of the loans the bank had made upon the security of the shares.

Law found a new means of controlling the rising panic. He took to the Council of State, which accepted it, a fresh decree, by which the method of effecting future settlements were modified. Three quarterly dates for settlement of bills were arranged to take the place of the nine monthly settlements, which had been agreed upon. The shareholders, upon whom no demands would be made for another two months, were at once less eager to release their paper notes. Business revived

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at the end of October and prices rose again. During November the market price was 10,000 and even more. It was then that Law saw a sly enemy come into shape, and it was an enemy that would need careful watching. It was the *realizer*.

Two notorious Mississippians who were not lacking in perspicacity, Bourdon who had been a tavern waiter, and La Richardière, a professional financier, were the first to talk things out together: "the total wealth of the East and the West would not be enough to pay the value of paper at its present price." They accordingly sold out their shares, bought several millions' worth of diamonds and exchanged part of their notes at the bank for one hundred thousand livres in gold; they disappeared after that. Others followed their example and acquired real estate. Law did not overlook these dangerous occurrences.

Like Cardinal Alberoni who wished to board the flag-ship to obtain the victory from God, Law, accompanied by his friends, the Duke of Antin, the Marquis of Lassay and others, was driven in his coach to the Rue Quincampoix in the hope of reviving the courage of the stock-brokers and jobbers. The crowd made way for him with great respect. He went into the house of Le Bergerie, a banker, and out on the balcony. Below there were little street-boys who called out: "Give us something, sir, and we will make your shares go up." He put his hand in his pocket and threw down some William III gold coins as if he were playing a game of scramble. The children were fighting to pick them up when some spoil-sport from a neighbouring house threw water on them.

Law stood still a moment, and looked around him as in a dream. Was it now the past? or was it the future? Why was he suddenly recalling the old gossiping tales of old Merkus

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when he told him about the mania people had had for tulips. "In those days men were crazy." Would the whole world be crazy to-morrow? England and even Holland were imitating the System. Some one had told him that that spying fellow, Blunt, had been seen loitering about in Paris. He thought he caught sight of him in the crowd! But, no: it was merely a resemblance.

What were those cries he heard? Who was that woman surrounded by a crowd? While the water was being poured out of the window a pickpocket had robbed her of her purse. Law asked to see her, questioned her, and was convinced of her honesty. How much did the purse contain? One hundred thousand livres.

"Come to my house in the Place Vendôme, Madame. I will give you a hundred thousand others."

The moment the crowd heard what had happened they cheered him.

"He is more than a genius," cried out one among them. "Perhaps he is God—returned again to earth."

That was just possible. A week earlier, to the despair of Catherine, Law had become a Catholic. He had done his best to bring an irresistible argument to bear against her complaints: "But I tell you it *must* be so, if I want to make my way still further." He could not console her. Her air of sadness was noticed by guests at the supper, followed by a ball, which had been given in honour of the event. The man who had converted him was, as a matter of fact, one of the most faithful adepts of the system. All the priests were not so foolish as the priest, Saint-leu, who carried on a profitable business in shares while he was in the pulpit. Law, among others, was indeed going to have him promptly sent out of the country. The Abbé

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Tencin was more adaptable. He wanted to be a rich man, and he was able to push himself forward, thanks to his sister, who, formerly a nun, was at that time Du Bois' mistress.

On their way back from Melun, where the Protestant had repudiated his faith, the two cronies together in the coach must have had more to say about current prices than of heavenly matters.

Now that Law had become a Catholic he was made a member of the Academy. On the 2nd of December he was accepted into the Academy of Sciences. Further, he deserved to be admitted into the Academy of Fine Arts.

Had he not lately declared he would increase the refinement of gold in order to make the coins more beautiful? But he must not be mistaken for a mere coin collector on a large scale. That sudden hobby was only a wicked excuse. He was lowering the value of the currency because that was the only means by which some stand could be made against the *realizers* whose numbers were steadily increasing. When once they got hold of notes they did not keep them, but if he did not stop them, would draw all the gold out of the bank which was then compelled, at the risk of losing its credit, to meet all claims. For the purpose of keeping intact the reserve of gold, Law was obliged to make constant attacks upon metal coinage. He very soon brought a decree deciding that bank money should henceforth cost 5% above the price of ordinary money.

Obviously he had lost his patience. An agonizing chill seized him when December arrived. He suddenly felt that he was no longer able to control all parts of the vast machine which, hitherto, he had had well in hand. He would have liked to limit the rise in prices, for, if it went on, it could only increase the number of those who wished to realize and so,

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indirectly, threaten disaster to the bank: the wretches were only too eager to draw out their gold. On the other hand, he did not dare do anything to cause prices to come down for that would have ruined confidence, and confidence was the very root of the whole system.

It was therefore with a feeling of great alarm that he saw prices rise above 15,000. He suspected trickery, and then he discovered that it was worked by foreign stock-dealers who were even selling at 18,000 at diabolical fury and that they were dragging along in their wake a number of the most dependable Mississippians. There were Dutchmen, Englishmen, and Genevans taking part in the plot. Law did not doubt that the hateful Blunt was the leading spirit. The loathsome creature was too far away for him to strangle as he would have liked to do. However, he hoped to have vengeance on him. He blamed Lord Stair and accused him of being Blunt's agent in Paris. He threatened him and threatened Great Britain who backed him up. He said what was in his mind, using the angry words of a madman, to the ambassador's own friends, and defied the miserable nation ever to be able to pay her debts. She had but one hope left. That was, if she did not wish to cease to exist, and if France were willing, to be attached to France. One thing was imperative: Great Britain must lie at his feet for it was Law who was capable of depriving her of credit. She must cease from harassing him, or he would not refrain from humbling her even if war ensued. He was going to alter the existing alliance and take Spain under his protection. He would get England out of his way with one kick.

It was now Du Bois' turn to be impatient. He was beginning to find it unbearable that Law saw so much of the Marquis

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of Torcy who was superintendent of the post-office, who knew the secrets contained in the diplomatic correspondence and whose ideas were contrary to his own. While Stair was sending indignant letters off to London, the abbé warned his chief. The banker let the Duke of Orléans know the position he was in. He was going to expose the evil designs of England, and France would have to . . . The prince angrily begged him to think first of all of the general meeting which was to take place on the 30th of December.

His Royal Highness might be quite easy in his mind. He was thinking about it. As if, indeed, he did not think of everything!

Law could see that the regent was annoyed by these words and he quickly pretended to be calm.

He was reproached for thinking about too many things; he would not think of anything in future. He would like to go away at once, leave the kingdom, and retire to either Rome or Venice. Let that little Stair carry on the system instead of him. At least let it not be the Abbé du Bois. He had had enough of never being thoroughly supported by any one. What was he, after all, in Paris, in spite of all the services he had rendered? A mere banker whom any one had the right to abuse just as he liked. He had been admitted to the Academy. Pooh! There was another title which he would have much preferred, that of First Minister. But no; the best thing for him to do was to go away. Perhaps His Royal Highness would condescend to let him have his passports.

In his simplicity the Duke of Orléans became frightened and at once calmed him down, and even implored him, and finally promised that after the meeting he would appoint him to be Controller General of Finance. Law agreed to accept the

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appointment but without appearing too much satisfied. He did not stay very long with the Duke after that. He had to go and prepare the balance sheet with Dutot, one of the best of his clerks, who had a boundless admiration for his theories.

"Sit down there," he commanded the young man as soon as he had got back to his office in the Hotel de Nevers. "Who is that knocking. Come in. Ah! It's you, William."

"Have you had time, John, to look at my little invention—the *Jet of Gold*."

"Yes. No. I really don't know. All in good time. Do hurry off to the mint to see if the medal is ready. Come along, Dutot. Income from the grants?"

"Forty-eight millions."

"Good. Profits from the grants?"

"Fifteen millions."

"No. Only twelve. Profits from general receipts?"

"One million, five hundred thousand livres."

"No. One million. Profits from tobacco?"

"Two millions."

"Make it six. Profits from the mint?"

"Four millions."

"That's not enough. Make it twelve; and make it twelve for the profits from trade as well."

"Oh! Sir!"

"I said twelve. Go on, and let me make some calculations."

Twelve. Was that possible? Yes. He would send more ships to sea. He would rouse Bienville's enthusiasm. He could no longer give a dividend of 12% on the shares at the price to which they had risen. If he did there would be nothing left. For the time being nothing was more important than to support those who were so eagerly selling out and to face his

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enemies boldly. The shareholders would be satisfied with 40% and the Rue Quincampoix would obey his orders only.

Then he spoke at the general meeting. He seemed surrounded by money. The crowd did actually visualize it and cheered the man of genius. All his proposals were adopted. There was a hubbub of triumph. The Duke of Orléans was the first to sign the minutes of proceedings. Then he rose, followed by the whole Court which filed out before the open register.

In a salon adjoining, Law broke away from his friends, who were all wishing to embrace him, and made his obeisance to His Royal Highness. As he did so he begged his acceptance—as a New Year's gift—of a unique gold token struck with the arms of the *Compagnie des Indes*.

The regent held it up very close to his weak eyes and saw a crown borne by two savages, each kneeling on the ground with one knee and the foot of the other leg at the edge of a shore which was lapped by the waves: on the reverse he read *Honor non pretium*. He expressed his thanks and withdrew.

When he learnt that shares had risen that evening to 15,280 livres Law asked to be left alone and went up to his own room. He suddenly felt tired. In the course of eight months he had contrived to do, without a break, a piece of work which might have been the whole life-work of any other great man. He decided to go to sleep until it was time to have supper and, taking off only his wig, he stretched himself at full length on his bed.

The log was blazing in the fireplace. He noticed that one of the rush-lights was bending to one side and the grease was running down. He gazed at it and as he did so it grew larger and larger until at last it became Madame Merkus herself, who

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in her turn changed into Lucia Canaletto. And he saw that she was laughing. . . . Ah, Venice! in the days of his youth! Ah! those gaming tables! Then he heard the disturbances in Edinburgh and the absent-minded voice of Godolphin. That was after the fat emperor appeared: but he seemed so far away, so very far away that he had to screw up his eyes until they were quite closed. Then followed the two savages represented on the medal. They seized him by the arms and the three together flew away straight through the ceiling without being hurt. They went on and on: they went on still, going higher and higher. They went on until they reached Heaven. On the right hand of God there was the Abbé de Tencin busily making calculations and sucking his pencil. The Almighty took the crown from the Indians and placed it proudly upon the head of the prospective Controller-General of Finance.

A smile of exquisite delight spread over the sleeper's face, and then something must have terrified him, for he began to make grimaces.

He was wandering through an immense black and white forest and the trees in it were nothing but heaped-up piles of shares and bank-notes. He went forward and saw a man covered with blood coming towards him: he was scowling and he threatened Law with his sword. The strange creature called out in a jeering voice. "Twelve milliards of shares; three milliards of bank-notes." It was Wilson! and Law wanted to make his escape: but he stumbled and fell down. Then he saw nothing more.

He slept very soundly. His hand was raised once, to rub his nose which was itching a little. It fell down again gently. He was still wearing the ring which had belonged to the

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English princess, as well as another—just as splendid—which he had bought in France.

His face was calm and, for the time being, as handsome as it ever had been. During the past year over-work and age had done much to ruin his looks. His features were becoming blurred. His mouth, particularly, had begun to lose its shape.

Was there any truth in what the Duke of Richelieu had said about his kissing the lips of the aged Madame (the regent's mother), whose habit it was to wear a man's wig?

In the streets the hawkers were selling manuscript copies of the resolutions taken at the general meeting of the Mississippi Company.

"Mr. Law's speech!" they yelled. "Shares at 15,180 livres."

And all who could, snapped up the news-sheets and eagerly read them under the street-lamps.

CHAPTER EIGHT

Monsieur Billate, the deputy from Bordeaux who had a great admiration for the bank, wishes the Chamber of Commerce of Guyenne to be one of the first to offer congratulations to the director upon his recent elevation to the position of controller-general. With that intention he himself had prepared an address which he brought on the morning of January the 6th to show to Law before it was sent off.

"I am listening," said Law when he had heard the preliminary remarks.

The deputy coughed, in the usual way, and, with his arm raised, started to declaim:

"The State finances required a man possessing extraordinary genius to re-establish them upon a sound footing. The whole of Europe is now aware of the debt that France owes to Law's marvellous abilities and enlightened views. It is only fair to entrust to that proved man of genius the opportunity of carrying on his work.' There now! You have nothing against that, have you?"

"Not a single word. It is quite plain. And it is gracefully put and to the point. Let me thank you for it."

There was a significant silence, and then Billate showed a certain amount of curiosity concerning the shares. Had he better sell them, or keep them?

"Keep them; by all means, keep them," advised the banker who suddenly rose from his chair, pale and proud.

A footman opened the door and formally announced,

"The Lord Stanhope."

Billate withdrew. Law stood petrified with horror. The British Under-Secretary of State for Foreign Affairs there in his office at that early hour! And so he was in Paris? He must

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be there in secret for no one had any idea last night of his being there. What could it all mean?

"Let him come in."

Then entered the leading diplomat of England, who had brought about the Triple and the Quadruple Alliances, the able statesman, nick-named the Wandering Jew, because he went everywhere for the purpose of building up the peace of Europe to the advantage of his master. He was a man of ability, resource, presence of mind, politeness, and moreover a man who possessed the remarkable merit of knowing how to conceal everything behind an air of frankness, which was really one of his natural characteristics.

After greetings had been exchanged, he told the banker clearly what his object was. King George I had read the reports of the Earl of Stair and he was very anxious, for the good of the Alliance, that better relations should exist between Law and the ambassador.

But before reaching the main question, Stanhope had to tell Mr. Law how delighted he was to see him again at the very time when His Majesty was honouring him, a man so deserving of honour, in such a striking fashion. Without letting himself be carried away either by friendship or by flattery he, Stanhope, ranked him above Cardinal Mazarin and Cardinal Richelieu.

With an emotion which could be perceived in his voice, Stanhope recalled the days at the beginning of the Regency when Mr. Law, by giving his support to the Abbé du Bois, had helped so much towards the reconciliation of the two nations. He was aware, in spite of certain letters from Lord Stair—he could not deny, in passing, that the latter had some irritating faults with all his good qualities—that the relations

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between the French Under-Secretary of State for Foreign Affairs and Mr. Law were excellent. Lord Peterborough, a rather dull but quite reliable man, who had met them together, had assured him of that recently. Neither was he forgetting to whom he owed the subsidies lately sent to the King of Poland for the purpose of attaching him to Prussia and to Sweden against the czar. If Mr. Law had not been able to maintain France's credit so high he would never have solicited the regent's support. Need he give further proof of the very high opinion he held of Mr. Law? Having arrived from Calais on the previous evening, he was now calling upon him first, even before going to see Lord Stair. He had refused to listen to the proposals of a man led entirely by anger and fatuity, for he did not, for one moment, doubt that Mr. Law was guided only by good intentions so far as his native country was concerned, for he was still connected with it, through Mrs. Law, by many family ties. Perhaps Mr. Law was somewhat piqued against the British Government on account of the way, obviously vexatious, in which it had acted with regard to his brother-in-law, the Earl of Banbury, who through one trifling duel and some silly rumours had been disbarred forever from the House of Lords. If Mr. Law had any wishes in the matter His Majesty could now have him admitted. It seemed to him that he had heard that a nephew of Mr. Law, Viscount Wallingford, would much like to obtain a regiment. There would be no difficulty in seeing that he was presented with one.

Lord Stanhope stopped speaking, and awaited an answer.

"Does Your Lordship consider that it is right for the Earl of Stair to remain ambassador to a country in which he is the declared enemy of the Controller-General of Finance?"

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There was no mere promise which could smooth over Law's hatred for Stair. His obstinacy was stronger than the subtlety of his present adversary who in the end had to give in. Stanhope swore that the ambassador should be recalled.

Just as Law was enjoying that delightful and altogether unexpected triumph, he had a most unfortunate experience.

In December Stair had gone to the Palais-Royal to complain of the banker's calumnies. The regent recognized them to be the ravings of a madman and undertook to reprimand Law seriously. The many ways in which the crown was giving in to Law displeased the ambassador and he again went to complain to the regent. His Royal Highness also deplored those extravagant proceedings, and he did not hide his feelings. After such a victory, the excessive ambition and vanity of the man would go beyond all bounds. He knew him well. Nothing short of being absolute master would satisfy him. The aggressive qualities of his abilities added to the contempt he had for other people made it impossible for any one to get on with him. He had done his best to make him work with all the clever men in France and he had never accommodated himself to one of them. He was a man who would endure neither opposition nor contradiction. He could not bear the slightest restraint.

Urged on by Du Bois, the regent made up his mind to give Law a severe lesson.

On January the 16th, which was the day upon which Parliament decided, in response to the public request, "to consider the means of reducing the scarcity and the high cost of all necessaries of life," Law in his coach was stopped from entering the great court of the Tuileries, as it was his ordinary habit to do, by the officer of the guards who acted under

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orders. With his face paler than his neck-cloth the controller-general stepped down to the ground.

When the members were leaving the council, Law asked His Royal Highness the reason of this sudden measure and was told curtly that in the future he must conduct himself in a more modest fashion. The King of the Rue Quincampoix must not deceive himself so far as to believe that he was the King of France; that was what might soon happen if things were not put right.

Law accepted the insult without uttering a word.

The words, spoken by the Duke of Orleans, reminded Law of his recent visit to the stock-brokers in the Rue Quincampoix on the day after his nomination.

Cries of "Long live the King," and the more numerous ones of "Long live Mr. Law" welcomed the originator of the system as he stood at a window and addressed his good people:

"In May shares were at five hundred livres. And now they have gone up to 18,000 livres. Well, I now ask you to what point they must rise before everybody, instead of depending merely upon hope, will be able to see that these prices are the result of true principles."

"Long live Mr. Law!"

He went on and on with his speech without daring to tell them that he had wished, since the starting of the system, that the shares would not rise higher in market price than 6,000. At that price he had still been able to pay handsome dividends. He had not changed his mind, although he now asserted the contrary. As he was always obliged to act quickly, it was now his duty to contrive some means of convincing the Mississippians and so prevent them from selling out. Consistent with this policy, he pretended to believe that those who

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were now *realizing* were mere simpletons impatient and greedy to play with their fortunes. He shamed them in public for the haste which was preventing them from becoming richer still.

Those evilly disposed people—perhaps they guessed what his calculations were—did not listen to him and continued to sell out. In those circumstances the public hesitated to buy. As a matter of course the market price went down slightly. As the system required public confidence to carry on at all, the bank intervened at that point to hinder a sudden drop, and accepted all the shares that were offered. But the more holdings of shares the bank acquired, the more notes it had to give out and it became necessary to keep on producing more and more of them.

Indeed, it was a matter of employing twelve printers instead of eight, and being obliged to discontinue signing the paper. It was impossible. And it was a vicious circle from which Law wished to escape by making a run on the stockholders and the officers of the suppressed departments.

The vast undertaking of paying all the State debts was far from being achieved. A certain number of those who had held contracts had exchanged them in the Rue Vivienne, in September, for shares. But many people in Paris and the majority of the provincials still kept them.

It was Law's intention to repay them either in shares or in notes. But neither of these was exactly what the stockholders wanted. They were afraid that in accepting shares they would see them sink in value, and that if they took notes they would be unable to use them. Through the mistake made by the *realizers* the value of real estate had increased four-fold and he could not tempt them with an interest of 1%. Their perplexity

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made it difficult for the people to choose and they grew stubborn when they did not receive repayment.

Law, irritated by the foolish creatures, determined to issue a decree in January which would give them a shock. In this he ordered them to bring in their certificates by the first of April. They did not budge.

As a second decree left them equally indifferent, a third was issued in February and in this something of a threat was added to one final attempt at persuasion. If they would not bestir themselves this time, their contracts would simply be reduced to 2%. In order better to enlighten their foolhardy stupidity, Law seized his pen, or rather Abbé Tenasson seized it at Law's request, and the *Mercure* had a splendid anonymous letter upon the new method of conducting finance.

The first few lines were sweet, perhaps even too sweet:

"I shall try to reconcile you with a system which acquires, day after day, greater stability, which already embraces all sections of the State . . ."

But the tone of the letter gradually warmed. Giving way to his usual custom, Law criticized the former administration vigorously. He was not troubling to laugh at those who considered real estate as a retreat or as a haven of safety.

Having stated that money was dear only in poor countries, which was reasonable enough, he began to jeer at the stockholders. To regret not putting one's wealth out at interest was to complain that money had become too common. Did they wish to be like the physician who cursed the town where everybody had good health? The new system had carried the king and his subjects a long way. Why did they not also want to share in the advantages?

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It was now that Law's doubly fine idea came in. It was his wish to transfer the funds—recently lent to the penniless treasury, and which were now of no further use, having been spent some time back—to the company so that they might help in the development of trade to the advantage of the whole nation. It was still his aim to bring into the system not only the stock-holders and the officials connected with the suppressed departments, but also the financiers and the king. He saw, in those several classes of persons, the numerous public which he needed to buy up the shares which the *realizers* had sold without desiring to take any others. That same intention had been shown already, in November, when he had been so very anxious to include the incomes of the clergy with the reimbursements. This he had brought about. But there was considerable difficulty in the matter. The Bishops had called a meeting at Boulogne and had just drawn up a protest against the immorality of investing in shares which upset the natural order so far as fortunes were concerned.

The letter in the *Mercure*, accompanied by the threat of a reduction of 2% on contracts, produced some effect.

The provincial stock-holders hastened to receive their reimbursements and rushed in diligences to the Rue Quincampoix. Seats were booked two months ahead and there was beginning to be some jobbing even at that.

In February over five hundred thousand people, including a good many idlers and pickpockets, arrived in Paris. Inn-keepers, cook-shop keepers, and other less reputable people, who had fallen on bad times when numbers of people had left Paris in January, once more resumed their usual mode of life and their good humour.

No doubt there were gloomy and evil-minded men who

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said with a mocking smile that it was no longer the true Rue Quincampoix in its palmy days. The highest class Mississippians had gone for good. Shares were not changing hands at above 9,000 or 10,000 livres. All the offices had changed ownership, and the present stock-brokers were regretting that they had paid so much. But the little humpback was still there, and the guard of archers at each end under the command of an officer wearing a short cloak, and the nobles who entered by the Rue aux Ours.

One thing was new: at night-fall the Rue was closed with iron gratings to let the inhabitants get some sleep. There had been complaints that business went on even after the street lanterns had been lighted. At least so it was said.

The arrival of the provincials caused the renewal of great commotion in the Rue Quincampoix. In their honour the game of "thermometer" was brought into fashion. One clang of a bell warned stock-brokers to send the market price up; another clang was to make them bring prices down again. Between the two clangs of the bell fortunes were made, or were carried away like clouds of smoke.

Law was troubled when he saw the stockholders, until now so timid, begin to take part in the game. He prohibited private people from dealing in premiums; the sole right to do so was reserved in future to the company. They had to deal purely on trust.

The unfortunate man had imagined that when once these good fellows from the country had been supplied with their shares they would take them away and leave them untouched. But nothing of the sort happened. In their turn they realized on them, too.

Soldiers were ordered back to barracks and other officials

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were recalled to their posts at the risk of losing their position. The crowds of people were staying too long in Paris!

In a state of terror Law saw the new *realizers* all eagerly clamouring to change their notes for gold and silver and thus bringing paper-money into discredit.

Through the whole of January he had persevered in the measures taken in the previous month to keep up the value of paper-money. He had forbidden the removal of gold and silver objects from towns which had no mint. He had established a compulsory fixed rate for the price of notes throughout France. For those who used paper-money he had obtained an exemption of four *sous* a *livre* on their excise and salt taxes, as well as 10% on their contributions. He went on interfering with the currency.

He attacked gold from all directions at once. In consequence it was all the more in demand. Mississippians who had not managed to get as much as they wanted out of the bank proceeded to buy up the contents of goldsmiths' shops, and bought jewels. Simply to get rid of their notes people were throwing them away by spending them upon cloth, spices, and in fact upon everything. Lagrange, one of the most famous among them, bought up one entire issue of Bayle's Dictionary, for lack of anything better.

Angry and uneasy, but still concealing his fury under a calm face, Law carried on his struggle against the wretches who were betraying him, although they owed him everything. He forbade goldsmiths to make, sell or display any object made of gold or silver, and forbade anybody to wear diamonds, pearls or other precious stones.

People continued to acquire such articles just the same, and did not hesitate to show them. For that reason the decree

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turned quickly against the interests of the bank. The jewellers, now overburdened with notes, presented a portion of them in the Rue Vivienne and sent the rest to their agents in provincial towns where there were branches of the bank.

Very soon the branches were short of cash. It had to be sent for in a tremendous hurry from Rouen, Lyons, and Bordeaux, and these hasty expeditions did not help to restore confidence. At Bapaume, Peronne, and Lille, notes were already losing 18%. In Champagne as well as in Burgundy no one would sell the products of the earth for anything but cash.

In Paris there was a shopkeeper who demanded one thousand livres in notes for four yards of cloth-of-gold at 90 livres a yard.

"That is quite possible, for it happened to me this afternoon," said Catherine to her husband in support of the truth of the tale.

Law had the foolish man sent for, and explained to him that there was only one currency in the kingdom and that paper-money was the equivalent of gold.

"No," said the man. "Burn my cloth and you will find there is still something left afterwards. But if I burn one of your 1000 livre notes, all that remains is just a little ash."

Notes were squandered in all directions. At Saint Germain they gambled with stakes of 6 thousand livres. And while this sort of thing was going on metal was being hidden or taken out of the country.

Law had already prohibited the removal of specie from the kingdom, and had obtained the right of search in private houses and religious communities. He further made it illegal for a man to keep in his house more than five hundred livres in gold or in silver, under the penalty of having it confiscated.

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He imitated Noailles and granted to informers the whole amount of what was discovered owing to their efforts: then he reconsidered it, and let them have only half.

D'Argenson, with a fierce hatred of the Controller-General whom he considered guilty of having laid a very heavy responsibility on him, jeered at him and went so far as to say only a fool would make such threats.

There was no doubt that those kind words were instigated by his four friends, the brothers Paris. That was evident! They were just then making off to Switzerland with seven millions. Law had the convoy stopped and the money seized. He then ordered the mansion of his implacable enemies to be searched and another seven millions were taken. Their insolence really went too far. He implored His Majesty to deprive them of their offices which he handed over to one of the Directors of the Bank, Artagnette.

The ferocious man of justice spared no one: Andre, the rich Mississippian, the notaries, and the priests who were wailing "but they are alms" all fared alike. Why had they not changed their money into notes? One of his own clerks, Adine, was holding back ten thousand *écus*. Law took them away from the fellow and deprived him of his post. Verzenobre spent some terrible days. He was concealing fifty millions. But as he was a young man who kept very much to himself, he was not betrayed.

Then there followed an event of serious importance. One day, at the market, a fish-wife actually threw a ten livre note into the mud and spat upon it!

Monsieur D'Argenson was only too delighted. The former Chief of Police knew his Paris through and through. It was a long time before the abominable Law was to hear the end of

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t. The cunning old Jesuit, who had been all servility when things were prosperous, rubbed his hands in glee.

Law, whom his evil-wishers looked upon as vanquished, because he had been straining his wits unsuccessfully to maintain the value of the notes for the last two months, began to put in motion still more vigorous means than the earlier one in order to prevent the failure of the system. In the course of a secret discussion he made these means known to the regent, and immediately, by public announcements, called another general meeting with the object of explaining the state of things. The meeting was held in the bank building on the 22nd of February, 1720. Altogether there were about two hundred people all of whom were at least outwardly dazzling. Only one small detail distinguished the great nobles from the common people among whom they were mingled: they were not so superbly clad.

There was Monsieur Pasquier, until recently a footman, standing next to the Duke of Aumont. Marshal d'Estrée had Monsieur Barbier as his neighbour, and the Baron de Breteuil rubbed shoulders with a certain Turetin. Between the Marquis de Villiers and Monsieur de Bully—a great friend of Law's who had used him thoroughly—Monsieur Boula had pushed his way. The Prince of León had found a place near Saint-Edme, who used to be a mountebank.

The Duke of Orléans and the Duke of Bourbon were there, but they stood apart. The Prince of Conti had preferred to stay at home.

The most striking point about the meeting was the absence of all the leading Mississippians. Such men as Chaumont, André, Perrine, Bragousse, Vignolles, Lagrange, Saint-Germain had, every one of them, sold out their shares and

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realized on them. Only one was there, and that was Vincent Le Blanc who in his zeal seemed to equal the upholders of the bank.

Law made a very fine speech in which, although he revealed some portion of the truth, he did not hide the fact that his own confidence was as strong as ever. He insisted upon one thing, but on that he insisted very particularly; it was absolutely necessary that all his proposals should be adopted.

The first and most important of them was to unite the bank and the company. It was Law's idea that they would both be strengthened by being thus connected. By this means he would be able to be free of the king who was resigning as director and giving up his claim to any profits, but not his right of inspection. The nine hundred million shares of His Majesty had to be paid back to him in ten years' time for the director had not managed to make him give them up as he had hoped to do.

Further he renounced the premium of 5% on notes which by this time had become a farce, and suppressed the ten-livre notes which were not liked by the public. The sinister shadow of the fish-wife was not far in the background in this matter. The aforesaid paper-money had to be repaid in specie within two months. To restore confidence, the bank undertook to issue no further notes without first receiving permission from both the king and the company. Bank accounts and ten million repayable shares were also created, while the announcement was made that offices for the sale and purchase of titles were to be closed.

As a matter of course all the proposals were carried, and six additional directors were elected, including the worthy

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William who was beginning to lose patience. After that the meeting broke up and all were convinced that there were good times coming soon. On the threshold nobles and stock-dealers stopped for a moment to watch the soldiers march by. There were sixty of them clad in brand new blue uniforms, with a broad silver band on their caps, and a sword-belt and shoulder-straps embroidered in silver.

The results of the discussions, made known to the public by means of manuscript copies, were sold as usual by the street-hawkers and caused satisfaction to everybody in the Rue Quincampoix. By some inexplicable phenomenon the text in print had a totally opposite effect.

Evilly intentioned persons remarked that the company had done nothing in favour of the shareholders since giving the fabulous promises in December, and that moreover the bank was paying out with disquieting tardiness.

Those who had been strong supporters of the system, now definitely losing confidence, quitted it in haste and were delighted to find provincials at hand who had an abundance of money and were unwary enough to buy at 8,000.

Among the deserters from the bank, there were two of outstanding fame. The first, the Prince of Conti, sold out all the shares he had for he was longing to take revenge upon Law for recently opposing his request for money, and then presented himself in the Rue Vivienne with the three closed wagons needed for taking away fourteen millions.

The bank was called upon to pay, and it did pay.

On the 2nd of March Monsieur le Duc de Bourbon started to do the same thing on his own account. He took twenty-five millions. So far cash was still holding out and showing no sign of exhaustion.

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When the convoys had set off, Law went to lay his complaint before the Duke of Orléans, and His Royal Highness was so much vexed and reprimanded him so severely that the other had no chance of threatening ruin. Henceforth the Controller-General had no more malevolent enemy. The creature gnashed his teeth and flung so much mud at him that he was covered with it himself.

Just as they were leaving the council, the regent suddenly addressed Monsieur le Duc and impressed upon him that he was dissatisfied at seeing him take pleasure in destroying in one moment what he had taken so much trouble to establish. He threatened to send commissaries to his house and asked what had been his object in acting as he had, and whether it was expressly for the purpose of thwarting him, the regent?

"I am very fond of money," said the great lanky fellow with shifty eyes. He had thrown all his money at the feet of the slim little Madame de Prie. At least he did not insult the man whom he had just struck. He continued to take the children of his victim for walks at Chantilly, and it was an amusing thing to see the great-grand-son of the man who had conquered Rocroi regulating his huge strides to the little footsteps of the Scottish goldsmith's grand-daughter.

"I am surrounded by greedy, stupid, contemptible wretches," growled Law, and he alarmed, by his outburst of fury, the gentle Robert Wilson, whose father had been Provost of Edinburgh the year before, and who for some little time past had been his private secretary.

"Contemptible wretches! yes, that is what they are," repeated the Controller-General. Had he not been obliged to send to Fort l'Eveque one of the bank directors, Monsieur

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Perrinet, a former farmer-general and several clerks guilty of misappropriation of cash?

The avarice of some, the malice of others, and the mistrust shown by all ruined his very finest measures. For the sake of upholding the system he had hoped at the time of the general meeting to repair his unavoidable errors by degrees and to guard against extinguishing the feebly burning flame of confidence. Alas! That was no longer possible. He was now compelled to hurry, and to strike one tremendous blow. He was still keeping up his sleeve two measures capable of saving everything if the regent would adopt them that very day.

"My coach!"

He went in all haste towards the Palais-Royal and took his writing case filled with documents. Really those Frenchmen understood nothing about money. He was angry that His Royal Highness was so very anxious to maintain the fixed price for notes.

"It is not in accordance with true principles," said he scoffingly and more or less repeating words formerly used by the Scotsman. "The value of every single thing varies according to the variation of the quantity available of such things or to the demand for them or their usefulness. For anyone to promise to-day that notes will not vary is to promise an impossible thing altogether."

His Royal Highness refused to listen to him further upon the subject, but he approved the rest of his scheme, and the Controller-General revised his draft before leaving the Palais-Royal and on the following day March 5th the Council of State issued the new decree.

He would have been wiser to support it with another long letter to the *Mercure* for the effect was disastrous.

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"He has lost his wits! That's the end of the system," shrieked the Rue Quincampoix as it became more and more disordered.

"Fools! Fools!" was Law's answer to this, and he was beside himself with rage. "This is the only measure which can possibly ensure the safety of the company."

The step taken was fearless and bold, not to say foolhardy.

Once and for all he had fixed the market price of the shares at 9,000 livres and the rate of interest at 2.9% in order to be sure of paying the dividend henceforth. At the same time he again opened for the sale and purchase of shares the offices which had been closed for the last six days.

The share therefore became currency. By giving way to temptation in a form common among State financiers, he had aimed at the unification of the total mass of paper money then at his disposal.

"The fixity of the price of shares opens up a new channel in the administration of finance," he had explained to the Duke of Orleans who from that moment did not appear to understand him very well. "Hereafter there must be a reasonable proportion existing among notes, specie and shares."

On March 11th he had a second decree issued relating to currency. As the market price in the Rue Quincampoix was only 8,000 he knew there was sure to be a rush upon his office, and that he would have to fall back upon the printing-press for more notes to enable him to pay. As he would be helpless if his cash failed to meet the demand, he determined to suppress gold. After the 1st of May, louis were to be no longer in circulation; silver coins, with the exception of the 20-sous piece, would be withdrawn from the 31st of December.

Holders of specie became alarmed. Mississippians, with

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Bragousse to lead them, brought in their gold, and within twenty-seven days the bank had swept in forty-five millions which were useful in replenishing the gaps in the treasury.

The Parliament was indignant, protested against the decree and opposed completely the great enemy—Law. What was he going to do next? The angry gentlemen did not understand anything and Law left them to say what they liked. He had his own plan; it had been put before the regent and His Royal Highness had adopted it, though certainly his consent had been not easily obtained. He had waited for some time before putting it into action and then it was done imperceptibly and in such a way that professional financiers themselves were not able to get to the bottom of his secret.

For the time being—having abolished gold and condemned silver—he was making preparations to put a stop to stock-dealing by closing the Rue Quincampoix, which had become far too noisy. As there would be no further change in market-prices there was simply no object in carrying on the business.

A dastardly crime soon gave him the opportunity of bringing forward that new act of defence as a measure taken on behalf of public morality.

For the preceding two months, Count Horn, a man of twenty-two who was connected with the principal families in Europe, had been living in Paris and spending the twelve millions livres allowed him by his father in gambling, and in houses of ill-fame.

On the 22nd of March this gentleman happened to be in need of money and made his way to the Rue Quincampoix, accompanied by two of his queer friends, and found there a certain La Croix, a tapestry worker and broker, whose pocket-book tempted him. Upon the pretext of buying a hundred

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thousand écus worth of shares they took him along with them to the *Epée de Bois*, a tavern at the corner of the Rue de Venise, and asked the landlord to take them up to a room on the second floor because they wanted to talk over some business matters. A water-carrier who lived in the room below heard the man's groans through his ceiling and gave the alarm. Men rushed up the stairs but the assassins had already fled. They discovered only the unfortunate Le Croix whose head had been wrapped in a cloth and who finally died from dagger wounds all over his body. The criminals were arrested the same day without any difficulty.

The count's powerful family connexions in all parts of Europe came forward to implore the Duke of Orléans to show him leniency. Law was equally insistent—but he was against the count. He insisted that Count Horn had intended to attack the Rue Quincampoix in three ways, by holding up the guard, by spreading confusion and by robbing people of their pocket-books. Such threats could not be other than fresh injuries to the system. It was now such a perilous moment that there must be no hesitation and he must act with vigour and severity.

The count's family appealed again and argued that a prince should at least be spared torture on the wheel. The Duke of Saint-Simon, always a good man to apply to for help because he never minded interceding, urged the regent as strongly as he could to spare the count's family any such superfluous humiliation. But His Royal Highness remained firm. In his opinion "It is the crime which makes the shame, not the gallows." On Shrove Tuesday, March the 26th, the Count Horn was broken on the wheel in the Grève in Paris.

Law was delighted that the Duke of Saint-Simon had gone

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to see his workmen at La Ferté and that he was thus spared having to pay him his customary visit on that day. It happened that he therefore missed having to listen to a disagreeable speech.

Indeed a public example had become necessary. For some little time past, instances of crime had been becoming more and more frequent. It was only on the previous day that a man who had just come away from the Rue Quincampoix had been murdered between seven and eight o'clock in the evening on the Quai des Augustins. And the week before that, a woman, who evidently had been strangled, had been found in a sack under an overturned coach. In fact there was scarcely a day when arms, legs and human bodies in mutilated fragments were not taken out of the river.

There were countless numbers of forgers. One heard of nothing but thefts and robbery. Behind the waning star of Law there was that of Cartouche on the point of rising.

For once in agreement and sympathy with hotel-keepers, tavern-keepers and the most disreputable women of the town, the moralists were in despair at seeing the frightened foreigners flee. As was their wont, they sought to find the cause of so much disorder. It was a most unfortunate thing that so many—too many—people were anxious to become rich in haste. The contagion had spread to the lowest of the low who did not object to using dishonest means to reach that same end. Was it not very sad to hear fools say that even those possessing a million were not rich? And to see the most insignificant broker go and order a carriage and horses the very moment he had got hold of a hundred thousand livres. Sensible people did not behave in that way. They simply abstained from making any show and went to live quietly in the country.

What did Law think about these matters? He was in no

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manner concerned with questions of morals unless they happened to be detrimental to the system. Beyond that, if he had time to philosophize, as idlers were inclined to do, the state of his own affairs would have been sufficient for his reflections. At that time he was being overwhelmed with titles and honours—and insults.

He had just been nominated Superintendent of Finances (there had been no such position since the time of Fouquet) and his son was returning from the Tuileries with his eyes filled with tears.

"I don't want to go there again," said the boy. "They call me *Sir System*."

"They are fools. Calm yourself. You are no longer a child—you are getting to be almost twenty. Go along to Monsieur Chesnau."

So the father was not enough for them now! What humiliations he had had to undergo during those last two months! Humiliations that had crept in as soon as the very first crack had shown itself in the system!

Marshal Villeroy had at last condescended to dine at his house in company with Monsieur de Contades, Monsieur d'Angervilliers, de Fontenelle and several other gentlemen. Three weeks later he was spreading rumours everywhere that Law was a sharper, and treating him as such. If only he had kept to his military exercises and his handsome fellows under him whom he thought so much of: for he knew nothing whatever about finance.

Poor Law! He was insulted even at the regent's table. That rake of a prince, the Comte de Broglie, said that he was a good physiognomist and that according to the rules of his science he could safely say that Mr. Law—who was present—

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would be hanged within six months. He added, "By the order of Your Royal Highness."

It was a curious thing. Parliament and poets seemed to promise that he would go to the gallows. Had they not recently written

*Avec sa mine arrogante
D'une voix insolente.*

Were they taking their vengeance on him for having made nothing out of him? Well, well, so much the worse. His protectors exacted many things of him—even that he pay the bills of their mistresses. At least he wouldn't do that.

He was receiving insults from abroad even. For instance there was a packet of horrible engravings that had come from Holland. These prints were signs of treachery, but as pictures they were good. In one the system was shown driving in a chariot of Folly, while lions were devouring the colonists in Louisiana which was represented as a desert.

The matter was all too plain. The Dutch were jealous of him and were trembling on account of their East India Company. And then, of course, there were the English. He still hated them, because Lord Stair was still staying in Paris simply to defy him, although he had been recalled. A few days earlier the late ambassador had gone to gormandize at the house of Du Bois who was giving a fine banquet to celebrate his nomination to the archbishopric of Cambrai. Law had not been invited. He didn't mind that. But in the future he would have nothing more to do with the dear friend of Madame de Tencin than was absolutely necessary between men who so often had to meet at the council.

These trifles hurt his feelings but they did not hinder him

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from doing his work. However active he might be there was enough to keep him busy in fighting the opponents of the system, maintaining paper-money, adjusting the coinage, controlling finance, generally, to say nothing of supervising a thousand other matters. Law never spared himself.

At the end of the previous year he had sent out eighteen vessels bearing merchandise and eight millions in specie for the purpose of trading in India, China, and on the coasts of Africa and he had received good news of them.

In order to flatter the vanity of the foolish, he had created duchies, earldoms and marquisesates in Louisiana, which was, as ever, the object of his most attentive care, and he had bestowed upon himself the dukedom of Arkansas.

Monsieur d'Artagnan, Monsieur d'Épinay, Monsieur Le Blond, the Count de Belle-Isle, and Madame de Chaumont (who had recently added the *de* to her name) had all bought grants of land. He had even formed little societies the first of which included as its members the Duke of La Force—now nicknamed "Mr. Law's head cleark"—to Count de Mosselles, the Chevalier Fontana, and Monsieur Girardin de Vanvres.

The *Compagnie des Indes* had lately purchased Belle-Isle to use as its chief depot for stores in France, and twelve new ships, which brought up the number of the company's main ships to 58.

During the early months of 1720 departures from the ports had been numerous. Very nearly ten thousand people had embarked on the *Gironde*, the *Eléphant*, the *Loire*, the *Seine*, the *Dromadaire*, and the *Vénus* for Louisiana. There were men and women of every description included in the contingents: vagabonds, contraband dealers, footmen who had been dismissed from service, steady workingmen who were

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allowed an advance of their pay, young women of shady character, children from orphanages, some Jews, and a number of hefty youths recruited in Germany, in Switzerland, and in Italy. Voluntary emigrants were granted 280 acres of land and exemption from all taxes for three years. But such emigrants were in the minority.

The serious blow levelled at coin by the marvellous silvermine in Mississippi, which was producing ninety-five marks per hundred-weight, the setting out of the military expedition ready to take possession of the rock composed of emerald, the factory where twelve thousand lovely Indian women were occupied in silk-making, the approaching visit to France of the Queen of the Sun—already betrothed to a sergeant in the Guards—not one of these dazzling attractions had tempted the true adventurers who continued to believe that, in such very troubled times, Paris still offered the widest scope for their talents.

“By free will or under compulsion” might well have been Law’s motto. In May he introduced his famous bandoleers dressed in very much the same style as were the bank guardsmen, but more numerous, better armed and altogether more frightening. They seized every one they found loitering in the streets, from the son of the rich grocer in the Rue Saint-Honoré, who shrieked and howled, down to the daughter of one of the watch-guards—who was very indignant. On the whole they were good fellows and fairly reasonable. For a good payment in cash they acted for the benefit of women who were weary of their husbands and seducers who feared the vengeance that might be taken by some shop-girl. D’Argenson had to make great efforts to prevent Du Bois from resorting to their help. The archbishop was most anxious

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to rid himself of a poor wretched young woman whom he had abandoned a long time ago and who now pursued him relentlessly. Law was more fortunate with Lamotte-Cadillac. That ridiculous soldier, who still had such very unpleasant recollections of that accursed country and a certain inclination for the truth, went about everywhere gesticulating and describing as senseless lies the emerald rock, the silver mine and all sorts of other things. Such a scandal could not be allowed to go on. Law had the man put in the Bastille.

He was finding it impossible to lead Frenchmen without lying to them a little—even a good deal. He knew them well. In order to try to make himself popular (this was now no easy matter) he bought two oxen at the market in Poissy, weighed them and sold them to the public more cheaply than did the butchers who had refused to lower the prices of meat. With the idea of struggling against the high cost of living, he talked about manufacturing cloth himself. And as no one might be overlooked he granted two millions to bankrupts, and he sent one hundred thousand livres to the parish priest at Saint-Roch so that he could complete the building of his church at which he, Law, had attended the Communion service on Easter Day and thereby attracted an immense crowd.

He had matters more lofty than those concerning meat in his mind. It was his dream to establish the royal bounty in place of the former taxes. In fact, on the 3rd of May, 1720, he decided that instruction in the University of Paris was henceforth to be free.

A few days later, the university organized a vast general procession as a sign of their gratitude. The gigantic stream of people took hours to file past the wing of the Tuileries which faces the Pont-Royal. Surrounded by his court, little

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Louis XV was laughing at the queer costumes. In a corner and alone stood a tall foreigner—a Scotsman and he was one of the very few who appeared to have any dignity.

He watched as they passed by, the Franciscans, the Augustine Friars, the Carmelites, the Jacobites, the Masters of Arts in their black gowns and little caps without fur, and the Benedictines of Saint-Martin-des-Champs, followed by numbers of other ecclesiastics in their surplices and copes; there were bachelors of medicine in black gowns with ermine hoods, bachelors of law and theology also in black gowns with fur, the doctors of the faculty wearing red gowns or copes with epitoges, or hoods lined with fur, the four procurators clad in red robes with black and grey ermine, resembling those worn by the Electors of the Empire, doctors of medicine, also in red copes, the rector in his purple gown and the royal cape bearing the purse of purple velvet trimmed with acorns and gold braid, and accompanied by the dean, also in a purple gown with fur, the magistrate, the clerk, and the recorder; these again were followed by the university printers, the papermakers, the parchment purveyors, the engrossers, the binders, the illuminators and finally the chief messengers all under oath to serve the university and led by their clerk clad in dull red gown and a tunic on which were embroidered the coat-of-arms of the university—a herald bearing the royal staff azure sown with fleur-de-lys or.

What a beautiful spring day it was. The streets of Paris were gaily decked for the festivities! It was a great sight to see the masses of people surging, and pressing forward along the route! The sun looked white, as if it might have been liquid silver, the river was clear and bright, and the chestnut trees were just turning into green. What agony Law had to suffer! His gaze

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could penetrate far beyond the ridiculous Marshal Villeroy with that odious powder on his face, and beyond the regent, too, who had a rather wry smile. It seemed that the conspiracy engineered by D'Argenson had even gripped the regent. His Royal Highness had now refused the banker the three millions of specie which he promised him in March and which, if they had once reached his clever hands, would have given him such immense opportunities. There were too many notes in circulation; the price of shares was still too high. "They are worth only 600," he said obstinately. He had proposed to call in by degrees all the notes and at the same time to allow the price of shares to fall—and all this was to have been done so pleasantly and so mysteriously that no one could possibly have held him responsible. Why was it that the Duke of Orléans would not let him have the thirty millions? As he was now standing he could see nothing from behind all those backs but the back of His Royal Highness's wig. If he could only convey what he was thinking into that head and influence it, he could, he *knew* he could, save everything yet. But alas! he had no hopes of securing mastery.

The fête was over. Children, dancing, and carrying branches, followed the last of the "gowns." The young king, who had greatly enjoyed the spectacle, withdrew amid bows and cutseys on all sides.

It happened that as Law was standing back he trod on some one's toe and as he turned to apologize he recognized Monsieur de Beuzwald, who had been back at the Tuileries for some little time.

"It is very, very . . ." said the Major, hesitating a little.

"Yes, indeed. It is. Very . . ." replied the other just slightly absentminded, and always careful of his words.

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On the following day Law saw the regent. Energetic and even rough measures had to be taken without delay. Otherwise the system might be ruined and the kingdom thereby thrown back into the state of chaos from which Law had drawn it. There was no time now to carry out the slow operation which he had recently thought out and which his enemies, bringing all their influence to bear upon His Royal Highness, had done their very utmost to keep back.

Law calmly laid down his proposals for re-establishment.

Shares were to be lowered at once to 8,500 livres, and to be brought down by the first of December to 5,500 by means of gradual monthly reductions. Notes were to be brought down in price immediately, according to their values, to 80, 800 and 8,000 livres and also by gradual and proportionate reductions each month they were to be, respectively, 50, 500 and 5,000 livres by December the first.

"By acting thus you are going to defraud the public of half of their wealth," observed the Duke of Orléans.

"Will His Royal Highness kindly allow me to show him that that is not the case. This reduction will be for the good of the holders of notes and shares for the money realized in this way will produce dividends of their own with further advantages attached, and then again they will be convertible into solid cash which will produce a great deal more in specie or in silver bullion, after these reductions have been brought about, than at the present moment."

"For I am proposing to diminish specie by two-thirds and make 500 livres in the new money thus become the equivalent of 1,500 livres in the old. A share now is worth 9,000 livres and a mark is worth 90. Consequently one share represents one hundred silver marks. When the share becomes worth

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5,500 livres the mark will be worth thirty; and a share will represent then 183.333 marks."

"Obviously the operation favours credit. As a matter of fact, if we reduce specie by two-thirds, notes are worth but the half, and shares only four-ninths."

"May I remind Your Royal Highness that I have already placed this proposition before him, last March, and that he had given it his approval; I had put the idea aside for the time being merely in the hope that he might show his willingness to interest himself in a new project which has the same object in view though somewhat modified and which has not yet had the honour of receiving the approval of Your Royal Highness."

Going over his arguments again—and they were all so reasonable—with calm determination, mystifying the Duke of Orléans with them, taking advantage of any hesitation on the part of the Prince, and never faltering, Law, at the end of this long speech, at last made him adopt the decision as being the only one feasible.

As soon as the regent had been convinced, he wanted to go and convince the Duke of Saint-Simon who had just been to take leave of his friend before going to spend the vacation of the Council at La Ferté. Without troubling to acknowledge that he understood nothing of finance he considered that the decree was risky.

Law had foreseen objections on the part of ignorant people. The measure was still only under discussion in committee when Parliament and the chief members of the council left for the country. The meeting was composed of only Du Bois, Le Blanc, Le Pelletier des Forts, who was anything but a leading light, and the redoubtable d'Argenson.

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The Keeper of the Seals slily praised such a wise, useful and remarkable decision which could not fail to arouse Paris and perhaps—if God would but vouchsafe that grace through the prioress of Traisnel—it might provoke serious sedition.

The old sinner had foreseen correctly.

The decree published on the 22nd of May upset the whole of Paris. Confidence was no longer in a bad way; it was dead. No one condescended to read the third letter in the *Mercure* in which the author of the system conveniently recalled that there had been opposition made within recent times to the ideas of another man of genius—ideas held by the world at large, individuals, corporate bodies, and men holding the highest places among the learned.

This comrade in misfortune thus designated was Descartes.

But no one thought of laughing. Everybody was overburdened with paper-money and believed that he was ruined. The anger of the public was turned against Law and D'Argenson, who was considered his accomplice. Quaintly written pamphlets, announcing a new St. Bartholomew's Massacre, were handed about. The people from the provinces and the foreigners in Paris reserved seats in the stage-coaches which were not starting on time; that alone was considered a forerunner of serious disorganization.

The entire kingdom was seized with panic. When the commissioners received the decree, they let everything go to the dogs. For instance, the commissioner at Bordeaux, in a fearful rage, smashed a mirror.

However, the members of the council and of the Parliament hastily made their way back to Paris. The duke publicly declared himself the enemy of John Law. He raged and made a tremendous fuss scoffing, whether the mark was at 90 or at

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30, for he did not understand anything about it. The mechanism of the whole affair seemed to be a little clearer when four millions (one of which was for Madame de Prie) had been paid out to him.

The mob grew angry. They hurled stones at the bank windows. At this point Law went out into the garden and again tried to reason with them.

"If the public wishes to avail itself of my good intentions, I am at all times able to make trade more prosperous than ever."

"We have had enough of that! Enough! Thief! Quack!"

There was hissing and Law withdrew to the sound of yells and cries.

The regent behaved handsomely. He took Law with him into his private box at the opera and together they faced the spectators.

Nevertheless there were far too many alarming rumours going around in Paris for the prince not to be frightened, and he humbly received the Parliament and expressed his willingness to listen to their advice. The court nominated deputies, called a meeting and prepared a trial against Law, ending with severe punishment.

The Prince of Conti, present at that meeting, was delighted. Monsieur le Duc was less cold-hearted for he still had the warm feeling in his hand which the four millions had given him, but he listened very politely just the same.

D'Argenson had rushed from one to another inspiring every one with feelings of hatred against Law, and he pretended to have in his pocket a royal order consigning him to the Bastille. He misled the Duke of Antin so successfully that the latter went to the regent to solicit the position thus vacated.

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But the regent looked his half-brother-in-law scornfully up and down, as he deserved in the circumstances, and said: "I thought you were a friend of the Controller-General."

The Duke stammered out a few words and went to apologize to Law.

On the 27th at eleven o'clock, the deputies were told that the decree was to be cancelled and that the finances were to be placed in the hands of Messieurs d'Argenson, Pelletier des Forts, Ormesson, Fagon and La Houssaye. The last two of these, accompanied by Monsieur de Trudaine, the chief of municipal administration in Paris, appeared at the bank on the 28th with authority to examine the treasury. Bourgeois showed them around—but his manner, in their opinion, was somewhat abrupt.

Law had remained in his own house, as he had an overwhelming fear of being arrested. On the evening of the 29th, Le Blanc, Under-Secretary of the State for War, visited the Place-Vendôme and told the banker that the Duke of Orléans wished to thank him for the care he had taken in the matter of the finances and to dismiss him from the office of controller-general.

The unfortunate Law longed to know the names of his successors. Among them he recognized some of the most incapable men, and remarked in conclusion that his enemies should not have rejoiced at being powerful enough to cancel such an excellent decree. Then he went upstairs to tell his news to Catherine.

He did not disguise the fact that the system had been "killed" that very day, thanks to the ill-will of fools; that the French were thoroughly stupid so far as money was

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concerned; and there was nothing for him to do but escape.

Mrs. Law made him ashamed of his discouragement. She urged him to do all he could to win back the prince's confidence and that of the public and to apply his powers of genius to bring down his enemies. In any case, she refused to go away.

In order to calm Catherine, John answered that he would struggle forever.

Suddenly he trembled. There was a sound of feet in the hall. He left the room and walked towards the staircase. One of the footmen ran up to him and said: "Sir, the Swiss guards have arrived."

Law went down, very pale.

Monsieur de Beuzwald, two captains, and sixteen men were there. Eight of the guards had just been placed in William's house. At last William had his coveted guards—when he no doubt would have preferred to be without them.

The major very amiably explained that as a great many people had considerable dislike for Mr. Law, the king had decided to place about his person certain very worthy officers who would see that he came to no harm.

"Is it really for my protection, or for the purpose of keeping me a prisoner?" inquired Law.

The soldier showed by his silence that the difference in the shades of meaning in this escaped him.

Lord Peterborough arrived upon the scene just at that moment. He had not been in Paris long when he had heard some of the extraordinary news: and, being a foreigner and curious, he rushed hastily to Law for more particulars.

Law led him into his private office, wrote a letter and begged him to take it to his Royal Highness. Peterborough,

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delighted to be entrusted with such a fine-sounding commission, was back again within an hour. The Duke of Orléans had given him to understand—through the door-keeper—that the note required no answer.

This time it meant nothing but disgrace.

It is always a mistake to give in to the wishes of a proud woman.

CHAPTER NINE

The duke of La Force was one of the first to make an appearance in the Place Vendôme on the following day. He was exceedingly sorry not to have called sooner.

"I am very deeply grieved, dear Law. . . . I was sleeping yesterday. My emotions were too much for me!"

He, too, had had an embarrassing experience a short time before this. Although appointed ambassador to London and entrusted with many confidential affairs, he had been hastily recalled just as he was leaving Calais. This had caused him to spend a hundred thousand écus in useless expenses, and to regret that he could not benefit his dear, good friend. For young Law—whom he greatly wished to help—was to have gone with him and Monsieur Poze, keeper of the king's medals. There was only one thing which comforted the duke in these troubles: he would now run no risk of meeting his mother who was living in London in very poor circumstances.

There was no end of petty annoyances—he was speaking of his mission which had so completely fallen through. His dear Law was a victim of mischief-makers, but he himself suffered from them a great deal more.

The duke shrugged his shoulders at the name of Lord Peterborough, who was notorious for his rashness. The whole thing was perfectly clear. The prince had misunderstood. They had better go together to the Palais-Royal at once. They did so: but the regent refused them admittance.

Towards evening Law's anger left him. Sassenage, a gentleman of the bed-chamber to the Duke of Orléans, had come to tell him that His Royal Highness would see him that night, and that he was to enter by the secret doors.

"I shall be there. You know the little gate?"

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Alas! Law knew it very well. It was the one he had used when the conference concerning the Royal Bank had been held.

The regent received him well. Each of the men apologized according to his rank and they were again on good terms.

"The strange thing is that every one is attacking d'Argenson. It amuses me so much that I am nearly ill from laughing," said His Royal Highness who was justified in his contempt for men.

Amiable and easy-going as usual, the prince invited the late controller-general to attend his supper-party. But Law preferred to go home and reassure his wife. And besides the "*roués*" were against him and he had no inclination to see Madame de Parabère, who had been one of his feeble supporters. Such ingratitude was unworthy of her and deserved his vengeance. He would very soon find some other woman to the regent's liking whom he would install in her place in some artful way.

As he was taking his leave, he caught sight, through the open door facing the prince, of sad-looking men and women—some without wigs—seated at the end of a long chamber, and forcing themselves to drink.

On the 31st of May there were more visitors at the Place Vendôme than there had been on the previous day. Monsieur le Duc de Bourbon remained closeted with Law for two hours. All the dukes and all the duchesses were allowed in later. They were all lively and excited according to their characters, but every one was down on d'Argenson.

"His soul is as black as his wig," snarled Monsieur le Duc.

Law was congratulated that shares had fallen to 6,000. He

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would surely have to be recalled in order to make them rise again.

The crowd collected in front of the house were discussing affairs in the same manner. The decree of May the 31st had been so incomprehensible to them that they could not believe that Law was not at the bottom of it. It was less difficult to overturn an idol than it was to kill the place he held in their minds. They did not defend him. But they attacked him hoping that they were in the wrong.

In the highest ranks of society there were a few people who appeared threatening. The Swiss Guards got rid of them by one threatening glance.

The Palais-Royal was trying to find new titles for Law. There were coaches constantly coming and going. They had to do with the many and lengthy secret meetings then being held.

On June 1st the public learned that he had been made a Councillor of State of the Army, director of the bank and of the company, and Intendant General of Trade with the right to a seat on Council of the Regency.

Sometimes Fortune does smile upon gamblers. Once more Law's luck had returned to him within three days. It might have been said of him: "He has been seen alive; he has been seen dead; and he has been seen alive after death."

He still has his enemies to settle with. Thirty *lettres de cachet* were required. The four brothers Paris were sent away into Dauphiné. Law would rather have had them sent off to different provinces, but La Vrillière protested against any such excessive and unnecessary hardship towards such devoted brothers. The complaints laid by Fagon and Trudaine against the so-called insolence shown by Bourgeois had to be put

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right. Dodun was made Intendant of Bordeaux in place of the gentleman who had smashed his mirror. The hardest thing of all to do was to find a successor to D'Argenson, who had now been dismissed once and for all.

The regent was struck by a strange idea: he would offer the seals to the Duke of Saint-Simon. Saint-Simon made an exclamation of astonishment and said he neither wished to make himself the laughing-stock of everybody nor to overtax his brain by studying for such a career. His Royal Highness went to the trouble of reading the names of all the magistrates mentioned in the *Almanach Royal*, but not one seemed to be what he wanted. Law suggested Daguesseau, who was a good honest fellow and generally liked and who was at that time living neglected on his estates. So upon the 6th of June, towards six o'clock in the evening, Law set out for Fresnes accompanied by the Chevalier de Conflans, a gentleman-in-waiting to the Duke of Orléans and first cousin of the chancellor, in a coach and four with two outriders and his footmen disguised so that the general public in the suburbs would not recognize his only too well-known liveries.

Feeling certain that the mission would be successful the regent empowered Du Bois on the 7th to go and demand the seals from d'Argenson who, not caring anything about his new official position as Inspector General of Police for the whole of France, had betaken himself to Madeleine de Traisnel. Love proved to be no consolation in his disgrace. Two weeks later he had succumbed to jaundice.

On the 8th of June, two hours after midnight, Daguesseau was back in Paris, and with great satisfaction he reinstated himself in the fine Chancellery in the Place Vendôme.

The cavilling mass of the people showed signs of disap-

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proval. The public was always astonished if a minister possessed less care for his own honour than taste for power.

There were more serious things to be attended to when once the political comedy was in order again.

The king had already restored the circulation of gold and silver and, although it was rather late, he had renounced his claim to his hundred thousand shares.

Pelletier des Forts at the head of the three others had become more or less the Controller-General now that d'Argenson had been ousted. Law still kept a hold on everything.

He was doing his utmost—though not as he had done on the 21st of May—to reduce the number of notes that were in circulation, to convert shares, and finally to diminish the currency.

He publicly cancelled millions of paper-money, and decided that all notes of 1,000 and 10,000 were to be burnt. For the purpose of calling these in he created a hundred million of notes of 100 and of 10 livres which were stamped *Division* and intended to be cut. These were brought back in large numbers.

At the same time Law claimed 3,000 livres a share payable either in shares or in notes. He gave two new ones in exchange for three old ones. This reduction of one-third enabled him to pay a fair dividend of three hundred and sixty livres.

But subscribers had turned away and would not listen to him. Even against their own interest, they remained inflexible.

The banker tried his hardest to re-establish the business upon the wreckage. But each time he moved a stone it fell on his shoulders.

Still determined to call in the notes, he reopened the offices of payers, and created a fresh twenty-five millions and then a further eighteen million of stocks. The first book of these was

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never more than half-filled, and the second was closed without a mark on a single page.

Always persistent, he sought a new means of absorbing and destroying six hundred millions of notes. He was anxious to persuade merchants to use banking accounts and in that way limit the circulation of cash and notes. But somehow those people did not like the idea of that convenient means, thanks to which payments could be made by a signature at the foot of the forms.

He spoke again about Amsterdam; men merely shrugged their shoulders. The time had gone by when anybody would listen to his mischievous talk. No one dared deposit funds in the bank even in the shape of notes, which were losing their value day by day. Such stupidity exasperated him and he became rough. He owed a large sum of money to Crozat and he paid it into his account. Crozat protested against that authoritative proceeding. The matter went on and they quarrelled in the presence of the regent, just as if they were two common men in the street.

"You must send for the money that you have abroad," commanded Law.

"I refuse to answer unless His Royal Highness condescends to question me," rejoined Crozat.

His Royal Highness had also grown impatient. He still kicked Du Bois from behind. . . The Archbishop regretted this: those ways might be all very well with an old tutor, and even with a minister, but they were not at all suitable now that he was an archbishop.

"Be silent, you rogue. People are quite right who say that if you had not had Cambrai you would never have made your first Communion."

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Affairs were in a terrible state. What made the situation so tragic was that no one, at least none of the better sort of men, had a single pistole to his name. Tradesmen were refusing notes. It was necessary at all costs to secure specie.

At first the bank had reimbursed notes valued at 100 livres, and then only those of the value of 10 livres. After that people had arrived in such large numbers that the bank had had to shut the gates under one pretext or another.

Then it was decided that money should be exchanged twice a week only—on Wednesdays and Saturdays, which were market-days—at the eight commissaries' in the district who were to be provided with two hundred and fifty thousand livres in cash. The public fought for entry, exasperated at being made to appear to be asking alms. The commissaries behaved as if they were ministers on a small scale and let in their personal friends by the back door. After the 6th day of July they ceased to make any payments. They stated that they were thoroughly tired of their duties. Men were constantly climbing up over their walls and they no longer felt any sense of security. As for the company, it was not without great difficulty that it could supply such immense sums of money.

Parliament sent a deputation to the Palais-Royal to demand the opening of the bank, and the regent replied that he would do whatever he found it possible to do. He spoke of the foreign exchange which was causing a great deal of loss and which ought to be regulated before anything else.

However, the bank agreed to cash one note for 10 livres for each person. The public were admitted by the Rue Vivienne and through the garden to the offices, and when the garden was filled with people the guards allowed no more to enter. For the purpose of regulating the coming and going of

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the people they were guided into a suite of rooms about eight or nine yards long between the wall and a wooden barricade.

Some dreadful happenings took place there.

Soon after dark people crowded in from the suburbs and waited all night, and even got through the railings. There were some who climbed up over the houses which were being pulled down to make space for the famous exchange. This was never out of Law's thoughts. Were there not at that very time six hundred workmen still busily employed on his new mint? The more active youths got themselves into the chestnut-trees and slipped down into the garden.

Lackeys and any one with money for sale mingled among the workers and sold at a profit of 30%. When the struggling was over the men made their escape soaked in perspiration—they were as wet as if they had just been picked up out of the river—and in a state of exhaustion they crowded into the taverns. In order to get ahead of the others some would balance themselves on the barricades and leap into the mass of people below. Every day there were men and women trodden to death, or stifled. On one occasion a guard drew his sword and killed a man; and the crowd started to throw stones.

At dawn on the 17th of July twelve corpses were counted. The public had become mad with rage and now abandoned the bank, forgetting why they had all waited so long and at such danger to themselves; they made straight for the Palais-Royal taking the bodies with them.

They demanded to see the regent, and were told that His Royal Highness was at Bagnolet.

"No! No! He is inside! Make him appear, or we are going to set fire to everything. Open the gates. The regent! We want the regent!"

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That was at six o'clock in the morning, and the regent, who had not very long been in bed, was asleep. The shouts and cries woke him.

"The regent! The regent! The regent!"

To divert them some one cried out:

"Let us go to the Tuileries!"

"No! We had better go to Law!" called out another.

"Yes. Let us go to that rascal's house. Yes! Yes! We need another corpse."

"Where does he live?" asked men from the suburbs.

"In the Place Vendôme, quite close to the Rue Saint-Honoré. Yes, let us go to that rascally fellow."

And off they started.

Law also was still asleep.

"Don't be alarmed," said he to his family, and he trembled as he spoke. Then turning to the footmen he told them to mind the doors.

Why had the Swiss Guards been removed three weeks earlier?

Windows were shattered; stones were falling into the rooms.

At the Palais-Royal the regent was reviving his spirits with wine. He had finished his toilette, given his orders, and was surrounded by the *roués* who had just come in from a drinking bout in the Faubourg Saint-Antoine with their wigs askew and their lace soiled. The musketeers were sent for and were told to include a number of them in plain clothes. Then the French Guards were called up, and shortly afterwards so were the night-watchmen.

Le Blanc arrived on the scene, followed by La Vrillière. They both spoke to the people. The Duke of Tresmes, the military governor of Paris, got out of his coach and said a few

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words: "Now then, gentlemen! What is all this trouble about? Now, Now."

By opening and then reclosing the gates the crowd had been cleverly divided and horsemen were able easily to sweep back the stragglers in the street.

Then Law appeared. On his way through the little lane, Quinze-Vingts, a woman who failed to recognize him had asked him some question.

"What is it you want?" said Law. "Money?"

"I want my husband."

The woman was the wife of one of the men who had been killed.

The shouts and cries increased as his coach drove into the court-yard, and many shook their fists at him. "Rascal! Rascal!" called out one man, usually a timid creature, now made bold and impudent by fury.

"You are poor miserable wretches," he remarked before he rushed into the Palais-Royal. The coachman wished to ape his master, but he got the worst of it. The crowd wounded him and put the footman to flight. Then the infuriated mob struck the coach and broke into it from behind. As soldiers tried to disperse them, they called out jeeringly: "But surely any one may approach the king's carriage."

As soon as the Parliament learnt what was going on, it burst out in expressions of joy: "And what about Law? Has he been torn to pieces? No! What a misfortune that is."

For ten days Law did not dare leave the Palais-Royal. He took his meals at the house of Madame de Nancré, and slept at Cochet's who was a *valet de chambre* to the Duke of Orléans. Later on the regent gave him rooms for his own personal use.

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The same people still kept guard in the Place-Vendôme in the face of the Swiss Guards who had been sent back there.

By the afternoon of the 17th the mob had been dispersed. At about three o'clock a gorgeously-dressed but filthy old man got out of a coach drawn up in front of Law's house. The old man took long strides which made him appear ridiculous. He had a grey wig, a swollen red nose from which snuff was generally dropping, and his sleeves and cuffs showed traces of bottles of wine which had long since been drunk.

He was Law's old friend from Florence, the old Grand Prior who, now that he had sold his religious office, was endeavouring to get married. He had been unable, however, to find any woman willing to marry such a diseased and decrepit old creature. He was hopeless. For the last three days he had been in bed, blind-drunk.

"My dear Law! My dear old friend! I am going to embrace him."

He had just recollected that he was in urgent need of ten thousand écus. At the same time Vernezobre was packing up his luggage and starting to rejoin his fifty millions which had been sent into Prussia. That young man was not without shrewdness. He knew that his palmy days were over.

Overpowered on all sides, Law had no more dreams of maintaining the system. All he wanted to do was to negotiate the notes of exchange with as little disorder as possible, and contrive to save his beloved *Compagnie des Indes*. With that object he persuaded the Council to advise the king to grant in perpetuity certain rights and privileges in return for which the Company was to absorb in twelve months, six hundred million notes. But Parliament, discussing this matter on the 17th in the midst of a hubbub, rejected such decree.

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Why, in the previous year, had he not followed the advice of the Duke of la Force who had wanted to see the accounts of the legislators repaid in paper, and the Parliament replaced by an assembly composed entirely of servants? Only one man had risen to defend the continuance of that third-rate institution—and that was his most ferocious enemy, the Duke of Saint-Simon.

On the 18th of July another excited little Council meeting was held and it decided to banish the Parliament. Consequently that little troupe of comedians started off on the 21st for Pontoise, well supplied with money so that they would not feel bored in that place.

The indignation of the public was tremendous. Copies of the council's decision were distributed everywhere by pedlars, but they were of no use. The council went too far when stating that "By its persistent opposition Parliament has made money very scarce, but in spite of its evil intentions money will be more plentiful next week and notes will keep up their value."

There is one mistake which all governments share. That is that starting from a given point—the innate stupidity of man—they too often neglect to learn how to fathom it accurately.

While waiting for the bills and notes to cease going down in value, much was lost.

During the summer paper money was sold at a loss of 50 per cent in the Place-Vendôme. Those who had been stock-holders in the Rue Quincampoix and had now been hunted out of that quarter, had by this time, after having wandered piteously from café to café, and around the bank, established themselves in this neighbourhood. It was indeed a camp: although it was ironically enough placed under the protection of the Counts

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of the Mississippi and the regent's "roués." As the houses in the new *Place* were not suited for use as offices, tents had been put up for the business men—and for toppers. If required, eating-house keepers even came there to carry on their business.

And women were not forgotten there. There were raffles for jewelry drawn by means of cards. To obtain the precious metals a great deal of all sorts of things were brought as if to a market: gold and silver plate, jewels, cloth, various treasures, watches, walking-sticks, rare buttons, and even horses and carriages. People bought up notes in order to pay their debts cheaply, for creditors could not refuse them.

Alas! The system was being wound up. Ruin was going on apace, and men saw, almost with indifference, their easily gained wealth fade away. They went on gambling, visiting the theatre—which was invariably filled with well-dressed people—and making love, very much as a suicide might toss off his last drink of brandy.

Law did not dare stir out of doors. He had almost died of terror. He had refused to go to Saint-Cloud in the regent's own coach, and His Royal Highness became more and more amused by his cowardice. Fishwives crowded round the gate and swore they would hunt him down if he made his appearance. No longer was he looked upon as a god. He was of the very stuff the Devil was made, the treacherous Englishman, a dangerous influence, a diabolical rogue. The mob was almost disposed to blame him for the plague then raging in Marseilles and adding to the sum total of the nation's troubles. There were jeers concerning his plans for barracks, the high-roads which were to have been drained and planted with beautiful trees, and the great vessels which were to sail up the Seine as far as Paris and all the rest of Satan's inventions. . .

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"Liar! Thief! Rogue!" were the cries shouted out by the common people as they shook their fists at his windows. How could he go on living? He could hear snatches of popular songs inciting the masses to seize the bank, and to hang the regent, and to hang Law—it would take only a moment.

The Marquis of Torcy's menservants complained of the shame which was reflected on them because their livery was red like that of Law's men.

One day when his daughter Catherine had driven in a glazed coach to the Étoile to witness the return from the fair at Bezons in a dense crowd, the odious red liveries had roused the people.

"There is that wretch who doesn't pay even the 10-livre notes!" they yelled out. The coach was stoned, but luckily the coachman was able to touch up the horses and the child was not hurt.

Law remained where he was and watched his great work crumble to pieces. At last notes had come to an end. Those of the value of 1,000 and 10,000 livres were transformed into *rentes*. The circulation of the others was limited until the 1st of May 1721. But as time was getting short that date had very soon to be changed to the 1st of November.

On the 10th of October 1720, Law, with tears in his eyes, was present at the finishing-up of the bank. Everything he had tried on its behalf had failed, and his honesty, his services, and all his personal sacrifices counted as nothing. Its end was inevitable. A bank was not an institution for France . . . there would never be anything of that sort there again. . .

"Destroy what you will—but spare the bank" he had implored.

It was the *Compagnie des Indes* which he was now anxious

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to save. At the end of August he had reorganized it, and on the 10th of September had added to it the *Compagnie de Saint-Domingue*, which, already swallowed up by the catastrophe, was still making a struggle and was the last to fall into his hands. On the 5th of October he claimed, in his high-handed way, the 3,000 livres standing over from June which had not been distributed. He insisted on having them immediately, but people simply laughed in his face. He claimed the right to sign all paper-money: and he placed a seal upon them to distinguish between honest and suspected shareholders. People turned their backs on him and wanted him to be placed in custody. How was it that the rogue had not been hanged? That was not all. He must be going out of his mind. He was actually launching a new subscription.

"I shall have to affix a third seal," he threatened. "And then all paper-money without it shall be cancelled."

He was really quite mad. On the 12th of November he appeared at the General Meeting, and he wished to make a speech. But no, they had all had quite enough of him and members shouted, "Thief! Thief!"

Law tottered for one moment, and then he fled.

On the following day a share was to be worth one *louis d'or*.

On the 3rd of December Law had a visit from the regent at the bank. For the last month he had been busy putting everything into order—on paper. Nothing could have been clearer than were the accounts he presented to His Royal Highness.

After thanking him for his zeal, His Royal Highness was kind enough to inform him of the plans he had in mind for renewing the well-being of the country.

Law missed no chance of criticizing those ideas which no

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doubt had emanated from Dauphiné. He went on to say more with simplicity than impertinence that he must excuse himself from taking part in any work of the kind which was so far removed from the "true principles." However, he begged the prince to let him remain at the head of the *Compagnie des Indes*.

His Royal Highness answered that Law's enemies were bestirring themselves at the moment, and that Marshal Villeroi, Marshal Villars, and especially the Chancellor, were all anxious to see him shut up in the Bastille. He also said that the people's anger was growing and that in the end the increasing number of crimes and the accounts of people who were starving would all tell against him. He insisted he should stay within his own four walls and get ready to leave Paris for the time being. In fact it would be advisable for him to retire to one of his estates in the country. The choice of where he should go was to be left to Law, provided it was far enough from the capital. Rising feelings in the provinces rendered his departure abroad desirable without much delay.

Law listened to these orders from the prince without flinching. His only wish was to know if he would again have the honour of seeing His Royal Highness: but upon this point the prince was uncertain.

"My Lord, allow me then to take my leave of Your Royal Highness. I acknowledge that I have committed great faults: I did so because I am but a man and all men are liable to err; but I declare to Your Royal Highness that none of them proceeded from knavery and that nothing of the kind will be found in the whole course of my conduct."

To this the Duke answered: "I know it, Law. You are one of the most honest men who have served me." They were

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facing each other and His Royal Highness went forward, and putting his arm around the Scotsman he embraced him as if they were brothers.

For a week Law never quitted the Place-Vendôme: He sent for his notary—Ballin—and asked him to take out a power of attorney in the name of Mrs. Law. Then for several days after that he worked with the Duke of La Force who was devoted to him. Though he certainly was greedy, he had not proved ungrateful.

On the 9th of December William and Rebecca went to see him, and he then told them that he would soon return but that just then the wisest thing for him to do was to go into the country. After they had gone he went up to his wife's room and, for the last time, tried to persuade her to accompany him. But with that same noble obstinacy she had shown on former occasions, she replied that she refused to leave Paris until all their debts had been settled.

"We still owe 10,000 livres to the man who has supplied our roasted meats," said Catherine.

"Indeed," answered John in surprise, reflecting that the man must have been among the last of those who had trusted them.

Catherine went on to say gently that she would join him before long, that she in no way reproached him, and that she loved him as much as ever. It was then decided that their daughter was to remain with Mrs. Law and that John should go away with him.

On the 10th he sent in all his commissions and sent for one of his clerks, Pommier de Saint-Léger, that he might obtain the papers belonging to him which were then in Bourgeois' coffers. The clerk had brought with him five millions in notes

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and shares and eight hundred louis. "What is that?" asked Law when he saw them.

"Among the paper-money there was one note to the value of that sum exchangeable at the mint for cash," was the answer.

"I had no recollection of it, but it is lucky for me. I had not got as much as ten pistoles in the house."

On the 11th he again saw the Duke of la Force who was accompanied by the regent, and he implored the latter to safeguard his wife and daughter.

Throughout Law had preserved extraordinary calmness, and he had recovered a gentleness in his manner which for some time past had deserted him. He was quite willing to see nobles who wished to bid him farewell—for tidings of his disgrace had already found their way into court precincts. He had but one answer to all the regrets, and all the expressions of grief, whether sincere or false, and it was: "I take no part in anything now: others will be concerned in it."

Well aware that his departure was very near, the Duke of La Force had asked Law whether there were not papers to be burnt, or anything that he might like to entrust to a reliable friend, and he had said:

"I have nothing to conceal. I can swear to you—and you must be sure to let the regent know it—that I do not possess one single livre in any foreign country. Those who state that Vernezobre went away taking my money with him are the vilest slanderers."

When at last he was alone he paced slowly up and down in his room, his head bent forward. Then all at once a childish idea seized him: he must go to the Opera for the very last time.

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He ordered his coach and made his men wear their grey cloaks on account of the people in the streets.

He entered his private box, alone. The curtain went up and for some little time no one noticed he was there: and then a murmur arose. . .

But Law heard nothing. His gaze was fixed and he could see his sailing vessels making for all the ports of the world . . . and, beyond, there lay New Orleans growing ever in importance. (It so happened that at that very moment a hurricane was blowing and overturning the miserable huts of the first settlers.)

The hissing increased when the curtain went down, but Law never stirred.

"What impudence!" was distinctly said by some one, and a fine young fellow with a not very refined voice called out, "Ha! the rogue."

Imperturbable, Law remained rigid and in an attitude showing haughtiness rather than disdain. It was only during the middle of the last act that he left the house, and told his man to drive home.

The time for his departure had been arranged by the Palais-Royal for two o'clock in the morning. Catherine did not feel equal to remaining alone with her husband and her son throughout the earlier part of that night. After their supper was over, and just as if they were to meet again on the morrow, he kissed her fondly and then embraced the little Catherine and went downstairs back to his own study.

His son was waiting for him, looking into the fire. He sat opposite.

"Nevertheless I should have greatly liked to see the

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Duke of Saint-Simon once more," he said interrupting his own reverie.

"John! The coach is here, I must embrace you again. Farewell!" It was Catherine who spoke.

"Good-bye, my dearest . . ."

At the door they embraced again.

John was the last to get into the coach, and he had to push four footmen aside as he did so.

"To Guermonde," he ordered the coachman.

"Yes, sir, I know."

The house-door was open. Through the coach windows the bronze statue of Louis XIV in the middle of the Place could be seen. It was raining.

The horses suddenly turned, and with a great noise, the coach rumbled away.

"Look, there is a light burning at Crozat's," said Law absentmindedly and said not another single word during the whole of the journey.

PART THREE

CHAPTER ONE

In the small room adjoining the dining-room at the castle at Guermonde, John Law, stretched out at full length upon a silver sofa, was asleep. The sickly face of the young man, who was only twenty, already showed some signs of dissipation and was not too intelligent.

The immense fortune which his father had made, while throwing him much into the society of the king, had turned him into a perfect fop. Chesneau had never hidden from Mr. Law that the boy was a poor and very lazy scholar.

Even since John had come to Guermonde he had done nothing but sign and yawn. He loathed having to go into exile; moreover he was sorry to leave Paris and its gaieties, especially a little dark-eyed dancer from the Opera house. Madame de Polignac had corrupted him before assailing his friend the Duke of Chartres, who soon became a complete roué, to the despair of his Bavarian grandmother.

Being compelled, at one stroke, to desert the dancer and to follow his father to foreign lands, John was very much inclined to look upon himself as the chief victim of the failure of the system. He hid his childish ill-will under a sly and timid manner.

Law paid no intention to his son's behaviour. He had matters of greater importance to attend to. His days were spent walking in the grounds and his nights at his writing table.

He now suddenly appeared, his stick tucked under his arm, fidgeting with his fingers.

"The decree of May 22 has been annulled," he stated. "And there has been an outbreak of plague at Marseilles on the top of it. The terror which sickness had spread throughout the whole kingdom has shaken public confidence still further. The

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English were against me. They may not have actually caused my downfall—but they were not sorry to see me come to grief. I was right not to trust Stair—or Du Bois, either . . .”

Law, completely absorbed in his own thoughts, was speaking to himself rather than to his son, and as likely as not, would have made these remarks to a tree, or to a wall. His one wish was to relieve his mind of torment.

After a long silence, he drew a piece of paper from his pocket and said:

“I have had a letter from the duke who says that the regent has had our passports made out.”

“Are we still going to Rome, Father?”

“It is the refuge of all great exiles,” declared Law with dignity, “and I shall require the authorities to grant me the freedom of the city.”

The speaker did not consider that it was necessary to add that such a privilege carried with it the exemption for its possessor from all legal proceedings and arrest by his creditors.

“Is your luggage ready?”

“Yes, Father.”

Just at that moment they heard carriage wheels, and Law, slightly alarmed, walked towards the window. Two chaises let down their steps and Law, now reassured, saw the Marquis de Lassay and Monsieur la Faye get out. He went to the door to greet them.

“His Grace,” said the Marquis de Lassay, “would have liked to come himself, but he was prevented by the council.”

This was a clumsy and deliberate lie, and the speaker continued:

“We are now bringing you passports for yourself and your son. Two are in the name Du Jardin and two are in your own

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name in case you happen to be recognized. In this event, this letter from the regent to his Grace authorizing the duplicate passports will be of service. For the sake of still greater precaution Madame de Prie sends you her own chaise and the Duke sends his master of the hunt, Sarrober, who will go with you as far as Brussels."

"Ah! then I go through Brussels? To reach Rome . . .?"

"The passports give you the choice of routes. In our opinion it seemed wisest for you to take the shortest way out of France. There are guards in the service of the Duke at Quesbrin, and they will join you and see you to Valenciennes. When will you leave?"

"In an hour," answered Law.

"His Grace has also commanded us to hand you a sum of gold for your expenses on the journey."

"My dear friend, I will not accept it."

"Oh!" exclaimed la Faye, who up to this moment had not said a single word.

"No," said Law, "when I suggested to His Royal Highness in November that I should retire, I suggested that I should pay over to the *Compagnie des Indes* my shares, my estates and other wealth of all kinds, keeping for myself the wherewithal to settle my debts, and in addition, a sum equal in value to that which I brought into France, In reply His Royal Highness kindly said that I had children and that he did not approve of my property being handed over to the company. Before I took my leave, I informed him that I held to my proposal. All I ask is that he will grant protection to my family."

"But it is the Duke of Bourbon, not the regent, who offers you this money."

"I will not accept it from anybody."

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There was now nothing for the ambassadors to do but make their departure.

"I shall write to you," said Law to the Marquis.

"And perhaps you will soon be back again. Yes, indeed you may. Frenchmen soon forget their mistakes. At least you can be sure you have faithful friends in this country and that several of them, I for one, will be delighted to hear from Sarrober that he has taken you safely and in good health to Imperial territory."

General salutations brought their farewells to an end.

An hour later Law and his son got into the chaise with Sarrober and the footmen.

Thus it happened that on the 20th of December, 1720, just after mid-day, the former superintendent of finances left Guernondeville never to return.

All went well during the first part of the journey.

They had just arrived at Valenciennes and the post-horses were being changed when there arose an amusing uproar which was not unfamiliar to Law. It was the provincial governor, the elder Monsieur d'Argenson—a son of his former enemy. He rushed to the door of the carriage and told Law that such an intimate friend of his father could not possibly be allowed to travel through the neighbourhood without being entertained by him and shown the fine sights of the town.

Law guessed there was a trap, but he thought it would be more politic to show no lack of confidence. He graciously agreed to pay a short visit.

D'Argenson read the two sets of passports, and, being much mystified, he sent a courier to Paris at once for instructions. The man was sent back with a severe reprimand.

In the meantime the governor behaved in the politest

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manner towards Law, giving him a sumptuous supper. This the exile repaid by a severe criticism of the administration of the realm, and on the 21st, just before midnight, d'Argenson, somewhat out of countenance, saw his guest into the chaise.

"I am exceedingly sorry," said Law speaking very clearly from the window of the chaise, "that I did not have time before my departure, to go and pay my respects to the former keeper of the seals at the Madeleine de Traisnel." And he went away in glee at having given this parting shot by way of vengeance.

The travellers reached Brussels on the 22nd, having passed the frontier without any mishap.

In the courtyard of the Old Wolf Inn, Law bade farewell to Sarrober and gave him some of his last eight hundred louis. Then he drew from his ring-finger his second ring, the one he had bought in France for ten thousand écus, and held it out to the Captain begging him to offer it on his behalf to Madame de Prie, "Madame de Prie, who has so very kindly lent me her chaise," he said.

With his son he went to look at their rooms which they found unsatisfactory. He was inclined to go and look for another hotel. He had ordered a carriage when an amiable little man hastened up to him. This was Monsieur de Miausse, a banker in Brussels. The news of what had happened at Valenciennes had already spread to this city and the great man was expected. Law accepted the banker's offer of hospitality and they went to his home together.

Monsieur de Miausse was keeping back another surprise. As soon as his guest was refreshed, he brought out some bank-notes and asked him if he would kindly examine them. They were false. Some unscrupulous men in Brussels had discovered

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the means of counterfeiting his own notes by tracing the signatures.

"This town never was the right place for me," observed the former director of the *Banque Royale*, recalling to mind the difficulties he had had in the old days in getting people to pay him their gaming debts.

Numbers of people were already rushing to greet him. The first to make his appearance was the governor of Brussels, General Wrangel, a handsome old man, worthy of respect and greatly respected. He was not rich, but he kept a good table. Then there was the Marquis de Pancallier, accompanied by other men of standing, who politely invited him to call at 5 o'clock to see the Marquis of Prié, the representative of Prince Eugène, who was governing the Austrian Netherlands in the place of this prince and bore the title of Plenipotentiary.

Law presented himself at the palace at the appointed hour and the two men had a lengthy interview.

The Marquis was at one and the same time the most ambitious man in Italy, the most incredibly idle creature in the empire, and the foremost trickster in Europe. He was at that time sixty-two years old. He belonged to a Piedmontese family of little social standing and no wealth. Upon his arrival in London as ambassador from Turin some time back, he had started to call himself Count de Pertengo, and then, when he was afterwards sent to Vienna, he became the Marquis de Prié just as easily. In Vienna he married Diane de Saluces, who was of very high birth, with the result that he was compelled to seek permission from the reigning prince to offer his services to Austria. Since coming to Brussels, he had managed to raise the ill-will of the nobles, the State Council and the people. When he was not engaged in putting down riots he

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spent his time in eating to excess, sleeping and gambling. The smallest amount of work wore him out. Drawing up one short report cost him at least a whole week of effort. His zeal was only genuinely aroused when it was a matter of robbing the treasury or selling honours and places. He tolerated everything of this kind and did not draw the line even at the counterfeiters, provided he had a share in the undertaking.

He told Law confidentially that just now there was a great financial embarrassment—money was really very scarce—in the Netherlands, and he asked for his advice upon several points. Moreover, he wanted his opinion on maritime companies.

The Marquis, after an hour of such weighty talk, suffered from an attack of nerves, palpitations, and a dull heavy pain in his head and had to apologize for leaving Law somewhat hastily. Before he retired, he politely gave Law over to the care of Madame de Pancallier who took him with her in her carriage to the theatre. Here they found an immense crowd of people who had come to gaze in admiration at the distinguished visitor.

The applause with which he was welcomed touched the exile's heart. His calmness of bearing astonished all.

When he reached home he was told by Miausse that some man named Baguerel de Pressy had called to see him about six o'clock. He had said that he came from Paris and that he had been entrusted with an important mission. Law received him on the following morning.

Monsieur Baguerel de Pressy laid before him despatches from the Czar, who, remembering the promise he had made in 1717, now begged the renowned financier to take his system over to St. Petersburg.

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Law declined the invitation with courtesy. He explained that he was unable to go so far away from France, whither he might be recalled almost at any moment in order to straighten out his affairs which his hurried departure had forced him to leave in some disorder.

Finding that the man was inclined to insist, Law was obliged almost to turn him out. At the same time there was a hubbub going on outside.

In the street there were horsemen keeping the crowd back, for Monsieur le marquis of Prié had arrived in his state coach to visit Law and to take him to some magnificent entertainment. After the theatre the Marquis of Esquillache gave a supper in his honour.

On the 24th, Law dined for the last time at the palace. His passports viséd, he started out in the direction of Cologne at nine o'clock in the evening. Law himself had never felt more alert, but his son had an odd appearance of fatigue.

This journey across Germany was slow, for the roads were in a bad state at this time of year. And although they made no stops, it took them fifteen days to get as far as Innsbruck. It was Law's intention to go and stay in Venice for the last part of the Carnival before they made their way to Rome.

The roads of the Tyrol, between so many wearisome mountains, seemed endless to them. They observed with disgust that most of the women in this country had goitres, and that the dress they wore made them look hideous. They wore stockings without feet to them, green hats with pointed crowns, and short skirts which went up to their very plump bosoms. Driving up the Brenner, and then down, was a fearful undertaking in the snow. When once they had passed the Trentino, they had to go along a road cut out of the mountain side. It was

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smooth only at Berschen. They soon reached the horrible overhanging rocks—which seemed as if they must inevitably crush any passers-by and which lasted the whole way down to Bos-sagne, the first town of the Venetian Republic on this road. They could not breathe at ease until they came to Mestre, the port from which travellers embarked for Venice, which they reached on the night of the 18th of January, 1721.

Law felt, the very moment his foot trod the soil of the beautiful city which he had so dearly loved in his youth, that all his cares melted away now that misfortune had brought him here again.

His voice was triumphant as he called out the following morning as he walked along by the water:

"Barcheroli! Barcheroli!"

Some gondoliers, who were hovering near at hand on the blue water, brought up their boats and Law and his son seated themselves in one. In the course of about an hour and a half they were in Venice.

While the two servants hurried off to engage rooms at the inn—the White Lion—for Monsieur Du Jardin and his son, the gentlemen seated themselves at the door of a *malvoisie* facing the lagoon. A gleam of chilly wintry sunshine was shed on the gilt ball surmounting the roof of the custom house. The wind shook the huts on the quay of the Galley-slaves, which were deserted at this time of the day, and the *Fusta*, the light-ship, was as usual stationed in the middle of the Grand Canal.

"You will remember, John, the departure of the *Bucen-taur*," said Law, as he held his glass up toward the light coming from a sky flecked with white clouds. "You were very young at the time. I had been obliged to go off to Genoa

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in a hurry. The Prince of Conti, the elder prince, had just died."

His voice was calm, and sounded almost gay. He got up from his chair, and, taking hold of his son's arm, added: "Let us go and buy masks."

Nothing had changed. At dusk, in the square outside St. Mark's, the crowd was just as dense, and just as surging as it used to be. They were among the first arrivals and derived a great deal of amusement by exchanging glances with the passers-by. Law taught his son the language of "patches." All at once he drew John aside behind one of the pillars, gave him a handful of louis, and told him to take any lady who happened to please him to supper. Then he went into the gaming-hall. The journey had brought his ready money to a very low ebb. Without bitterness, he was going to begin again as a gambler.

The same hubbub was going on all the time and there was still the clinking sound of gold and of glasses. Long and ceremonious acclamations greeted Faustina. But where was Canaletto? The beauty of women fades more quickly even than the glory of men is lost. He was some time looking for a seat. At last he found one and sat down between an abbé and an old noble bedecked with plumes. He placed his heap of gold on the table in front of him, and, with his eyes half-closed behind his mask, he made some calculations for a little while.

"Ten sequins on the knave," said he at length. "Double. And double again."

He was in the game.

He played on and on until dawn. Possibly he did not play as well as he had formerly—but he played well enough, considering his gains.

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When he returned to his inn, he saw that John's room was empty. He was not annoyed. He spread out on his bed all the coins he had won, counted them, and was quite content with his night's work.

The next day he received his first letter from his wife, and it somewhat dampened his spirits. Catherine said that all their property had been seized, that his brother William, Bourgeois, Fénelon, and du Revest had been sent to the Bastille, that the Parliament had returned from Pontoise in a state of anger because he—John Law—had been allowed to escape, that the Paris brothers had been recalled, that Monsieur Pelletier de La Houssaye, his successor, was saying everywhere he went that it was a real crime not to have seized the former director. "And now," she added, "rumour is that you must have gone off with a concealed box containing diamonds worth twenty-five or thirty millions."

This falsehood was already being spread throughout Venice, thanks to the French ambassador, Monsieur Frémont, who also stated that the Scotsman had had considerable sums of money sent out of the country.

All this so enraged Law that he hastened immediately to the English Resident, Mr. Burgess, and begged him to arrange an interview for him with Frémont that afternoon, so that he could make him say upon what he based this vile calumny. Monsieur Frémont replied, not without some insolence, that he believed the vile rumours, that he had written about them to the minister, and that he would do so again.

"Very well," said Law upon hearing this, "I am aware that he has had letters urging him to write things to my discredit, with the assurance that it is his best method of courting favour. Therefore I shall make my complaints to the regent

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and demand justice to be done to me against the lie of Frémont's invention." He then went out with dignity and, drawing his mask from his pocket, he put it on to wear in the street.

On that same day he sent an angry letter to the Marquis de Lassay; and the next day he sent another to the Duke of Orléans, to whom he had written twice in the course of his journey, in order to modify his original proposals concerning the welfare of his family.

He offered now to place the sum of money, which through the kindness of the king was assured to him, in the name of his children, and at the same time he would undertake to authorize the confiscation of that money if it were ever added to by himself, by his son, or by his daughter, or by any of those who might succeed him.

He renewed this entirely honourable proposal in the letter he wrote to His Royal Highness on the 21st of January, and after he had reminded him of the promise he had made that his property should not be seized, he expressed astonishment to see that it had been seized and that his brother was in prison. Then he protested, and he protested with great vigour against the infamy of Frémont, and again swore that he had no property of any kind whatsoever outside of France. At the end he pointed out that His Majesty appeared to forget that he owed him considerable sums of money. He added that he had no doubt that His Royal Highness would grant him his request and that he was awaiting an answer.

The friendliness which Mr. Burgess had shown for Law caused him to visit him again, and the following week he met Monsieur de Chavigny, who was one of Du Bois' secret agents there.

In spite of the fact that he was acquainted with Du Bois'

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real feelings towards him, Law made all haste to extol the merits of the Archbishop, and the meeting was thoroughly pleasant.

The diplomat, who had made a queer start in life for himself by pretending to be the descendant of an illustrious family which was, as it happened, extinct, had persevered in his intrigues, although exposed and dishonoured, and used his very charming manners in the usual way and without going too far. By their means he was even able to appease the feelings of resentment which Law had for Frémont. Du Bois, at the same time, advised his emissary to be careful, to be distant though courteous with Law.

The most ridiculous rumours were getting about. But they now seemed to originate among the mass of the people. For instance, it was whispered that Mr. Law had deposited 160,000 pistoles in the Bank of the Holy Spirit in Rome, that he had offered an enormous sum of money with the object of having his name inscribed in the Golden Book of Venetian Nobility, and that his son was going to marry the Duke of Cesarini's daughter, who was worth 100,000 crowns.

Law determined to ignore all these foolish tales and continued to visit Mr. Burgess and to frequent the gaming-houses.

One day as he sat at dinner with his son in the large dining-room at the *White Lion*, smiling and a little absent-minded, a manservant came up to him and spoke in a low voice to the great man—for were there not always spies to be considered? A Capuchin monk, who remained in his gondola, wished to see him. . . .

Law soon came back to the dining-room but he did not repeat any of the conversation to John. At eight o'clock, still wearing a mask, as it is the custom to do during the carnival,

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he set out from the house and was taken to the Capuchin monastery.

"I am one of the three persons who are expected," he uttered in a low voice in the porter's ear and was led to the two other men who were shut up in a small room containing seats and a table upon which was placed a globe.

These three personages continued their debating together for several hours. When at last it came to a conclusion, they were anxious to express their gratitude to the prior for his secretly given hospitality. Thereupon the monk consented to come and pay his respects, and the first of the three spoke as follows:

"I am Charles Edward, King of England; my father has ceded to me his rights to the throne; these same rights I have fought to maintain; a man stationed along the road from Dreux wished to assassinate me; I have found protection only by the efforts of the Pope; I am known as the Chevalier de St. Georges; I live in Rome whither I return this very night, without being able to spend the carnival in Venice."

The next speaker then stated:

"I am Cardinal Alberoni; my father was a gardener at Placentia; I was at one time the leading minister in a foreign country; the king and the queen had to obey my commands; it was I who decided whether or no there should be war so that all Europe trembled before me; I was hunted out of Spain and every possible kind of crime was laid to my charge; I came near losing my cardinal's hat. . . I now place myself in the hands of Providence and have come to spend the carnival in Venice."

It was now Law's turn to address the others.

"I am John Law of Lauriston, a Scottish gentleman; I was

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Controller-General and afterwards Superintendent of Finance in the Kingdom of France; I have been king of a distant country; I have owned soldiers and vast numbers of ships; I have founded and directed a bank in which there have been more *livres tournois* than there have been minutes since the world was created; at the present moment my wealth consists of one hundred and twenty louis and I have come to spend the carnival in Venice."

The Prior answered that it was wisest to be nothing at all in this world, and at the same time he promised to recommend their souls to the mercy of God.

The three mysterious personages then took their departure in the darkness of the night, and three gondolas slowly threaded their ways in and out between little boats carrying young people singing and making love.

Law kept his main project before him and left Venice on the 15th of March for Rome. But he did not go beyond Ferrara where bad news awaited him. He heard that relentless creditors had assigned their debts to a Roman citizen and that he would be arrested immediately upon his arrival in the capital. He preferred to avoid this useless and disagreeable experience and to go back again to Venice, but not before taking his son to visit Bologna and Ravenna.

The worthy Mr. Burgess did not hide his satisfaction when he saw that he had come back. He had never been in favour of his departure for Rome, for as he said, Law ran the risk of compromising himself dangerously, owing to the presence of the Chevalier de St. Georges filling the city with Jacobites. And then wouldn't Law be nearer France if he stopped in Venice and in this way better able to attend to his affairs?

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The Scotsman devoted his attention to his business affairs and gambling, by means of which he made a living. He left the White Lion Inn as he found it too expensive for him, and hired a small lodging—which, however, did not please his son who obstinately went elsewhere.

The news from Paris was getting worse and worse.

The regent was giving him up; the duke was not seriously administering justice; and his enemies, the brothers Paris, were simply wrecking the little that still remained of his work. No doubt with the intention of making the disorder worse than it was, they had insisted on a further *visa*, or great inspection, and probably cancellation. The *Compagnie des Indes* was the first to be so treated and claimed from Law 16,254,709 livres 3 sous 6 deniers, and 3,468,694 livres 16 sous from his brother. Law himself considered the former claim ridiculous and the one against William abominable, for the latter had merely allowed his name to be used when funds were being sent abroad. He made a protest against the unreasonable behaviour of Tartel, Controller of Revenue, who, when he was charged with carrying on the seizure and sale of debtors' goods, claimed, for the king and for the company, to be acting in association with the office specially created for that purpose.

On the other hand, he approved of the initiative taken by his wife who, with his attorney Castel—a very zealous and worthy fellow—had called a meeting of creditors at the house of the notary, Thouvenot.

Though Law recognized as his creditors all the people who had sold him land and the various workmen employed in decorating and repairing his mansions, none of whom he had ever paid, he simply referred to State authorities all those

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gentlemen bringing forward paper issued by him during the months of September and October, 1720. "It was by command of His Royal Highness," he explained, "that I repurchased your shares at 5,000 livres above the current price; the transaction actually cost me 7,437,342 livres. In this I was not acting on my own behalf—but as a minister executing the prince's orders."

Law went still further when he learnt in June that the commissioners had just decided to confiscate the house in Neuve-des-Petits-Champs, where William Law was living and where his wife and daughter had been in refuge ever since they left the Place Vendôme.

He wrote to Catherine, to his lawyer Castel, to Ballin, his notary, to Thouvenot, to the Marquis de Lassay, to the duke, and to the regent, too. And he implored His Royal Highness to allow him to return so that he might, by being on the spot, quickly put everything in proper order.

The faithful Mr. Burgess advised him to go and live in London, in order that he might be able to get to Paris more easily, and he offered to propose his return in a letter to Lord Cartaret, Secretary of State in the Walpole cabinet. Law agreed to this at once, delighted to return to a country which he had always thoroughly hated.

In the middle of July, as he was coming back to his lodgings, he met one of his servants in the street who told him that Mrs. Law had arrived.

Law was overcome with joy and rushed up the stairs as fast as he could.

"Catherine! Catherine!" he called out, and pushed open the door. It was only Rebecca—William's wife.

Law noticed that she was tired from the journey and miser-

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ably clad, as he listened sorrowfully to her tale of the woes which had befallen his family.

Rebecca began:

"They have taken away from us everything they could—yes, *everything!* Du Bois got your beautiful library . . . and as for my own jewels . . ."

"But how is Catherine?" interrupted Law.

"She remains undaunted."

"And how is my daughter?"

"Just as gentle and good as ever."

"Now tell me all about William."

"Oh! poor fellow! he has gone to Fort l'Évêque. Should you like to go through these documents with me? They have been pouring in from all over the country as well as from abroad—Amsterdam, Madrid, and England. Now then . . ."

"Wait just a moment: I must put on my spectacles to read all this jargon. My sight is not so good as it used to be, my dear Rebecca. . . . Let me have some of the papers." And Law started to read in a low tone to himself.

"Brunemanus, in his commentaries, cites Carpzévius in proof of the truth of this, while upon the other hand Cevarruvias . . . (Oh! dear, dear!) . . . But I shall cite from all the authors; Cagnobus, Hostiensis, Arrias Pinellus, Robertus Aureliunus, Paul de Castre, Balde, David d'Argent, eminent Professor of Antwerp University. (Now he is coming to the point.) Would anyone dare uphold Cujas against the illustrious lawyer Charles Dumoulin? My answer is this: In accordance with what has been said upon this subject by the two pagan emperors—Diocletian and Maximian—and by several doctors of civil and canon law . . . (At last!) Failure dates from the day upon which the debtor actually withdraws from

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his business. (Why here's some more yet!) In accordance with the perpetual decree proclaimed by the ancient law-givers in Flanders, the statute of Bologna of the year 1474, the statute of the Kingdom of Naples, the ordinance of Moulins and that of the year 1667. (And now what is this really about?)" asked Law when at last he came to a pause.

"It refers to the money you owe the workmen who decorated your mansion at Nevers," answered his sister-in-law.

"We had better mark each piece of paper as we go along—that is what the Duke of Antin used to do so that he would recognize them among his piles of papers. Let us go through them systematically."

They worked on in this way for several days and two or three nights. When they had finished, Law drew up a clear statement of his affairs for the lawyer Castel, and gave it into the hands of Rebecca, who soon afterwards took her departure. He was not sorry to see her go, but he mustered up kindness of feeling enough to go, accompanied by John, to see her off in the public gondola. There was just one little thing which very much annoyed Mrs. William Law: and that was to see the young man carrying a gold-headed cane.

"It strikes me that your aunt is a greedy woman," said Law to his son. "Your mother will have to be careful in her dealings with her. Are you coming with me to see Mr. Burgess?"

"Friends are expecting me, father."

"Well, go and enjoy yourself. A young man must have some amusement."

The English resident told his friend at once about the reply he had received from London concerning him.

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The British Government, while not expressing any joy at the prospect of having him back, did not refuse to let him return.

Thereupon he began his preparations to leave. Though he liked Venice, he was perfectly content to live elsewhere. He won high stakes at the gaming tables, bought a few pictures, for in spite of poverty he had kept his great fondness for art, and bade Mr. Burgess farewell.

Accompanied by his son, he started by chaise from Mestre on his journey to Hanover, taking the route through Bohemia and Germany.

Reasonably enough, he rather expected to get some inkling, while he was in the capital of the Electorate of King George, which was governed by his grandson, of what people in England were inclined to say and think of his return.

Prince Frederick graciously gave Law audience and treated him well. He advised him to go on to Copenhagen and join Admiral Norris, then commanding the Baltic Squadron, who was preparing to return to England, after having failed in his attempts both to make the Czar accept peace, and to start a war between Russia and Sweden.

The admiral, being informed of the proposal, very politely offered to take Law and John on board with him.

The fleet set sail on the 17th of October after having been detained in the port at Elsinore by bad weather. Thanks to favourable winds, the travellers were able to disembark four days later at the Nore from which place they hastened on to London without delay.

With the money he had won in gambling, Law was soon able to establish himself in a pleasant and comfortable house in Conduit Street.

CHAPTER TWO

The kind Mr. Burgess had seen nothing that was not to Law's advantage in his being in London, so far as his private affairs were concerned. Law did not fail to realize, however, that his return would revive much lively criticism among his compatriots.

Had he not stood up, at the time when his system was in its fullest swing, as an enemy who threatened England, and terrified the late Lord Stanhope who in the end thought it best to sacrifice the ambassador—the Earl of Stair—to his feelings of resentment? Still more, had he not tried his best, after private conferences with Torcy and other representatives of the court of the late king, to overturn the existing alliance, and draw France away from England with the object of joining with Spain? The English must be aware of these intrigues which had clashed so violently with the plans of their faithful friend Du Bois.

He would have to be particularly wary with regard to the declared hostility of the latter, who, having been a cardinal since July, and a leading minister of state since August, no doubt would willingly consign him to the devil, instead of doing anything to smooth matters for him in London.

These prejudices, all of a political nature, were not the only ones which Law had to face. He was publicly reproached with having been indirectly to blame for the serious financial failure of the *South Sea Company*. This company, with his old enemy Blunt as its leading spirit, had copied his own great system, even to the point of a crashing failure.

It was not impossible that his duel with Wilson would be brought up against him again. The duel had been fought twenty-seven years ago and he still kept his letters of pardon

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for the murder—but the fact that he had been pardoned would not keep his most determined enemies from using this old story to stir up the feelings of the great public against him.

Law was wise enough to grasp the fact that in his present position nothing was more urgent than his clearing up, in order of their importance, each of his longstanding moral debts. Consequently, immediately upon his arrival in London, he begged an audience of Lord Cartaret, which was granted him immediately.

Wasting little time on amenities, Lord Cartaret and Law came at once to serious matters of discussion.

Law made no attempt to deny that he had had certain intentions with regard to Spain. At the same time he implored his Lordship to remember that when that happened, Great Britain appeared to look upon France rather as a serious rival than an ally, because of the prodigious advances she was making in all directions. Was it not the *South Sea Company* which, in the first instance, had taken measures against *his* bank? When he had been made a member of the French Ministry, it was strictly his duty to prohibit the transfer of funds prejudicial to his system. Did his Lordship wish to know just why he had struck especially at Great Britain? The reason was that this nation had, by underhand methods, been the cause of the stock-brokers and jobbers being cleared away from Quincampoix Street, with the result that the London Exchange, and Blunt, reaped the benefit.

Lord Cartaret thereupon remarked that Governments could not hold themselves responsible for the activities of subjects in business transactions.

This was reasonable, and Law did not doubt that this was a fact, so far as His Majesty King George was concerned. But

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did not Lord Carteret consider the queer things which Lord Stair had done against the interests of the *Compagnie des Indes*, and which had made the late Lord Stanhope so indignant, sufficient cause for rash action on Law's part, especially at a time when he was already overburdened with care? He did not hesitate to recognize his mistake. He had been convinced for a long time, and he was every day further convinced by studying facts, that there was no policy more in keeping with the desire for peace in Europe, and of greater practical utility to the two kingdoms themselves, than the alliance between England and France.

At this point Law made a slight digression in order to praise the illustrious and eminent Cardinal du Bois, in the hope that his words might reach the ears of that new prince of the Church. Yes, he went on, to uphold intrepidly the alliance was the most cherished of all his vows. He had no intentions of taking part in active politics. Indeed, when he had once more got his affairs into order, his one idea would be to live in quiet retirement. As a matter of fact, while he was in Copenhagen recently, he had had to refuse the offer which the Czar had again made to him—and there had been others which he would not bring up now. He really meant to retire to Lauriston and stay there, subject to the wishes of the English Government, and his faithful ally, the regent of France.

Law's persuasive eloquence convinced Lord Cartaret of his frankness and good faith. The interview, begun in a rather chilly atmosphere, closed in something that was not far from friendliness.

The Scotsman had won on this occasion the hardest of the battles he was to fight in London, but he had no time to enjoy the victory as it deserved.

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Soon after this he received a letter from his lawyer which caused him much pain when he read it. It had been even harder to write.

With great tact, Castel wrote to tell him that he had just learned something that no one else knew about, namely: that Mrs. Law was not his wife in the strictly legal sense of the word.

"I had forgotten it myself," exclaimed the so-called husband.

How long ago that was. It was true. He had not taken her to a minister when he became the husband of Catherine Knollys, in the broader sense of the word. For a short time his mother had been a little suspicious, but he had been able to put her off with a few of his fine-sounding words. But a Court of Justice cannot be treated in quite the same manner. He would be obliged to show a copy of his marriage certificate.

Castel therefore asked him to let him have his power of attorney as that which he had given to Mrs. Law was no longer valid.

He had to find some friend willing to assume this troublesome duty for him. He thought of the Duke of la Force first. He rejected his name immediately. The duke was in disgrace. While he had been entrusted to suppress anything in the nature of a corner in the money market, it was found that he was the very first to get a corner. After some consideration Law decided on the Marquis of Bully, for he was under obligations to him, and the Prince de Vendôme, who had formerly been Grand Prior and an incorrigible drunkard, whom he had known since the old days in Florence.

The form was duly drawn up as from the following day, November 8th, in the presence of a lawyer and witnesses, and

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was sent off without delay to Monsieur Le Verrier, notary in Paris.

The above-mentioned gentlemen were thereby fully authorized to act on behalf of the above-mentioned Mr. Law as if Mr. Law were present himself, and to have absolute rights in the conduct and bringing to conclusion, as they might think fit, all his business matters relating to King Louis, all his business in connection with the *Compagnie des Indes*, and even matters in which his personal friends were concerned.

While Law listened to this fine document being read aloud his cheeks were burning with rage, for on that very day he was being discussed in the House of Lords.

The Whigs being in power just then, it was a Tory who attacked the Government for allowing Law to return. Coningsby, the most garrulous, obstinate, and absurd man in the opposition, brought the subject forward.

Oh! no, he was not in the least jealous of a malevolent fellow who had done so much to injure a neighbouring country and whose pernicious projects, when once they had been introduced into that country, had brought forth such calamities. But he *did* look upon him as a dangerous person. Had not Mr. Law criminally renounced, with the object of satisfying his vile ambition, the natural affection which every man feels for his native land; had he not shown lack of devotion towards the true sovereign by showering gold at the feet of the pretender? Had he not—greatest abomination of all!—become a Roman Catholic? Their lordships would be guilty of negligence if they did not ascertain whether orders were really given to Admiral Norris to take this monster on board his ship.

Coningsby concluded his speech with gusto, but not with-

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out having recalled, by a clever passing reference, the Wilson affair for which, in the speaker's opinion, Law deserved to be hanged immediately.

Lord Cartaret rose and asked permission to speak.

There was no doubt that Mr. Law, some years back, had been so unfortunate as to kill a gentleman in a duel, but he had since then deserved His Majesty's most gracious pardon. Lord Cartaret then went on to remind his hearers that it was a free country and that even the king had no power to hinder any subject of Great Britain from returning home.

After two interruptions—made by Lord Trevor and Lord Cowper—who approved of these last remarks, but who at the same time maintained that the circumstances of Law's return to England in a flag-ship required consideration by the House, further discussion was postponed until after the 24th of November.

Later discussion was quickly turned to the unfortunate operations of Admiral Norris in the Baltic, and became heated. The majority of members were, however, still on the Government side at the end of the sitting.

The friends and supporters of Law insisted upon his obtaining a solemn ratification of the letters of pardon without loss of time. And on the 9th of December, the Scotsman presented himself before the Court of King's Bench, accompanied by the faithful Duke of Argyll and his son, Lord Campbell, the Earl of Ilay, with whom he had once played such a good game of piquet in Paris, Lord Orkney, Lord Selkirk, the Earl of Essex, and Lord Londonderry.

When the judge had read out the sentence of death, he pronounced the following words:

"Mr. Law, you are condemned to be hanged on the count

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of having murdered Mr. Wilson. Upon what do you base your claim to have this punishment remitted?"

"Upon the pardon granted to me by His Majesty the King. I have it here and I most humbly beg that it may be read out."

Law kneeled before he handed the pardon to his judge and remained kneeling until the ceremony was over, a ceremony which, by the way, resembled an apotheosis more than anything else.

King George soon felt that he had made something of a mistake in not receiving Mr. Law, whose glory, owing to a sequence of most mysterious circumstances, was returning.

On the 17th of January 1722, His Majesty put this matter right by receiving Law and his son in audience with great kindness and keeping them in conversation for three-quarters of an hour.

While Law was holding forth upon the merits of his system, with extraordinary eloquence, John watched every movement of the king, who was a well-built man, rather below average height and straightforward and serious in his manner. He talked little, but what he said was to the point.

Before he took his leave of the king, Law begged permission to present to His Majesty some cleverly executed pictures which he had bought in Venice.

The king accepted the gift without the least suspicion that the giver had not at that moment forty guineas to call his own.

This did not stop Law from having his portrait painted by Kneller, the court painter, or from having his footmen newly clad in red livery, or even from entertaining in his house in Conduit Street people of the very highest rank, who were in their turn invariably flattered to have him at their tables. At

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one of these suppers he was surprised to come across the representative of Cardinal du Bois, Monsieur Destouches author of various little comedies. Law was friendly enough but Destouches was rather cool. He had to carry out his master's orders, and, moreover, he remembered that he had lost heavily in selling his Mississippi shares too late.

Law's winnings at the card-tables were not enough to enable him to continue his grand style of living. Changing his employment, he begged first from the Duke of Argyll, and then from that dear Marquis of Lassay, and even from his one woman friend—Mrs. Howard. "Just put yourself in my place," said he to that charming lady when he borrowed a thousand livres from her.

From time to time he shut himself up in his lodgings; that was while he was waiting for replies to come in. Otherwise he spent most of his time standing in the middle of a drawing-room, expounding and extolling the system to a group of listeners.

People had overcome the prejudice which some fools who had suffered losses through the *South Sea Company* had caused by comparing Law's prodigious invention with Blunt's ridiculous imitation. "Men cling only to appearances," he remarked, shrugging his shoulders, "and do not judge events!" But now, thanks to his discourses, people were more enlightened and did him justice for they recognized his system as practicable and sound.

A tactless simpleton timidly mentioned the word "failure." Law, in no way annoyed, was delighted to go into the matter. The system had undoubtedly come to grief, but that had happened only when its originator had been compelled to deviate from true principles. He was never weary of going

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back to that fatal day—the 27th of May—upon which those evilly-disposed men obtained from the regent the nullification of his excellent decree of the 21st.

“You will grasp the whole matter better by just one example. When Prince Eugène was besieging Belgrad, he himself was being besieged by the Turks. The prince’s enemies lost no time in turning this to their own advantage by telling the emperor of his danger. If the emperor had then deprived the prince of his command of the army and placed it under the leadership of a committee of men who had not the talent of the prince and who, as a matter of fact, knew nothing of war, the emperor would have lost his army and possibly his states as well. On May 27th the regent listened to fools and sacrificed his Prince Eugène.”

The speaker concluded, with his customary modesty, by referring to himself in the third person:

“When I consider the position in which Mr. Law was placed and the disadvantage under which he worked, I am of the opinion that he succeeded far beyond what might have been hoped.”

His melodious and convincing voice quelled his feeble opponents. Everybody was astonished that a highly enlightened prince, as the Duke of Orléans was known to be, should abandon a system which had been productive of so much that was good.

There were still many more to be astonished. The whole matter had to be clearly explained and it was Law’s intention to publish this explanation in the form of a small but convincing pamphlet.

Alas! No sooner had he taken up his pen than he found that he would be obliged to put aside the few pages he had written

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and study M. Castel's rigmaroles and jargon and swamp himself in an overwhelming business correspondence.

On the one hand, the State and the *Compagnie des Indes* were persistently claiming money from him; on the other hand were his private creditors. He was anxious to settle with the former first of all. But the more he worried the regent, the less likely His Royal Highness was to reply. Since the previous February, when he had consented to release William at John Law's special entreaties, the regent had not bestirred himself at all. Law sent more letters, documents of various kinds, and notes just the same. The unfortunate fellow trembled to see that the government in its then disorganized state was taking over his personal property, without paying off any of his creditors. His creditors had been called together by the Prince of Vendôme and the Marquis of Bully and had formed themselves into a syndicate. They had already chosen as their representatives—the Marshal d'Estrées, the Count of Luce and the Abbé Boisot. But they could get absolutely nothing while that devil of a Tartel, the controller of what money remained, in the pay of the king and of the company, kept putting obstacles in the way of their claims. He then begged that they might examine his accounts with His Majesty.

The whole thing was growing very serious. One wretched creditor, whose name was Mender, living in London, was actually taking proceedings against him whereby he might at least seize his person. Poor Law was in mortal terror at the mere thought of being flung into a debtors' prison.

Everything was going against him. It was becoming more and more difficult to get answers to his charming little notes which included with a clever request for money the very prettiest compliments. Many people avoided his costly society. He

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was losing one friend a day, if not more than that. If His Grace the Duke of Orléans was leaving him in such a state of destitution, the reason must be that the duke recognized that his theories were false. To be abandoned by the great is always something of a calamity to be dreaded. He was now obliged to give up his lodgings in Conduit Street and find new shelter with his son in two humble rooms.

During the autumn he received a bit of hope. His Royal Highness was guaranteeing to Law's creditors the payment of all his debts. At the same time he was indignant that so many of the advances which the bank had made to foreign courts had to be lowered.

"They owe me more," he asserted.

Why did the authorities refuse the passports to Mrs. and Miss Law which he had applied for. He had a perfect right to have his wife and daughter with him. He was not a criminal, but the victim of evilly disposed persons. Throughout the winter he went on writing about it.

His resentment was a little appeased in the spring of 1723 by the return of fine weather, the disistence of Mr. Mender, and the arrival of a small sum of money. In addition he had a visit to some practical use from a certain fop—the Count of Gratot—to whom he had never paid the price due for his estate in the Riviera. This gentleman handed him some illegible papers annulling the sale. He could make nothing of them, but when his visitor placed a sum of money on the table he had some idea where the tempter's finger was leading.

"Is this entirely fair?" he asked.

"Would I propose it otherwise?" was the simple answer.

His brain was too much taken up with other things just then, for him to waste time on such trifles. At last he was

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finishing his pamphlet entitled: *Comparison of the Effect of Mr. Law's System with That of the South Sea Company on England.*

Those days, spent in his wretched little room drawing up that panegyric with absolute and moving sincerity, restored his self respect. Never before had he felt himself such a great man. Deprived of all his titles, his name erased from the list of the members of the *Academie des Sciences*—what an injustice!—his fortune gone, almost friendless, he had nothing left but his genius, and it was upon this that he gazed in ecstasy while he mechanically wiped his spectacles.

Before composing a sentence, he was in the habit of saying aloud to himself:

"Mr. Law! Mr. Law!" And then, bent over the paper in front of him, he would go on writing:

"No one had ever so much as thought of the undertakings which Mr. Law carried out with an astonishing fidelity."

He always spoke of himself as he would have spoken of any other great man, without any sign of pride or modesty.

He made a clear statement of what every one had done, not omitting the regent, and again referred to the annulment of the decree of the 21st of May.

"The lack of confidence was unfounded," he declared. *"The decree was based upon true principles and could not but have strengthened his system which was to enhance the glory of the king and the happiness of the people."*

Upon this point he had no doubt whatever. He revived in his mind the days of his triumph and forgot entirely the dark days of failure. He saw once more the enthusiastic crowds listening to and applauding his speeches in London drawing-rooms. He was convincing himself now as he had convinced

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them then. He was astounded that the regent had so carelessly given up his extraordinary system. It was an unprecedented mistake on his part! But could not such a mistake be repaired? Why should he not start it afresh?

His gaze had become fixed and his eyes lost all expression: He clenched his fists and shook them; he raised his arms jerkily, and then stood upright. The system was *not* dead. It was within *him* and as alive as he.

"Monseigneur! Monseigneur!" he called out.

He was just at that moment arriving at the Palais-Royal . . . The crowds shouted their welcome. . . Catherine was there . . . and his daughter. The Duke of La Force embraced him, the Royal Duke, and the Duke d'Antin did the same. He went back into the bank. . . Bourgeois was weeping with Joy. Fénelon laughed.

And Law laughed, too, as if he were a child.

"What's the matter with you, Father?"

John, who had just come in, looked at his father and felt frightened.

"Nothing . . ." answered his father, sinking into his chair and rubbing his spectacles.

He was fond of being alone for hours at a stretch. He would get out of his armchair and seat himself in a chair kept especially for the imaginary guest, and begin to speak aloud.

"Monseigneur, I do not pretend that I made no mistakes. If the whole affair were to be done again I would act otherwise. I would do things more slowly and with greater caution. And I would place certain restrictions upon cred . . ."

If he might see Paris again! Just once more! This was the thought that never left him. Why should he not write—very

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prudently of course—to the Marquis of Lassay upon the subject?

He had a good reason for writing now. He had just received printed copies of his book. Yes, he was going to send one of the first copies with a beautiful letter—a very kind, very serious letter with no reference in it whatever to his creditors and his debts. He wrote it then and there.

He hoped that his friend would show the little book to the Duke of Orléans and even to His Eminence. Only the earnest hope that he might still be able to be of some service to His Royal Highness supported him in his disgrace. He knew that His Royal Highness would surely credit him with right motives, and he was ready to serve in his suite if he were considered worthy.

He reread, folded and sealed with wax this letter which was too precious to be entrusted to the ordinary post. He must take it to the French Embassy himself. He brushed up his best wig, chose a not too shabby three-cornered hat, and went out into the streets brightened by the May sunshine. He wished to see Monsieur Destouches; he did see him and found him quite friendly. How astonishing!

“Ah! And so you are leaving for France this evening? I envy you. How is His Eminence?”

“Not very well.”

“It grieves me to hear that.”

Yes, it was strange that Monsieur Destouches should be so amiable all of a sudden. Well, after all, perhaps it was not strange. They were at last going to do him justice. He even thought that they were expecting him in Paris already. The moment seemed propitious. The kingdom had calmed down again; public affairs had been put into bad order, but still

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they were in order; creditors were to be paid; the *Compagnie des Indes* was being reorganized, and was reviving, while stock-brokers were depressed at seeing the shares go down. Those dealers regretted him. The dealers and a few others. In their hearts everyone regretted him, except the great masses of the people—who count for nothing. He could foresee new days of glory for his system as he walked along on this sunny morning.

Things were really changing; he was not deceiving himself. Everybody was beginning to see how he had been wronged. The Duke of Argyll began coming to see him again.

"Why don't you go and call on the Chancellor of the Exchequer again?" asked this old friend. "Walpole has a very high opinion of you. He told me so yesterday."

"What is that you say? Of course I shall go . . . I shall go to Whitehall tomorrow."

Poor fellow! Completely wrapped up in his system, he understood nothing else; he suspected nothing.

It was at the house of his brother-in-law, Lord Townshend, the Minister for Foreign Affairs, that Walpole had been struck with this idea of hearing him express his uneasiness concerning the illness of Du Bois. If the Cardinal failed them, they would have some difficulty in finding any one else in France as devoted to the alliance.

The handsome Walpole, so intimate with the Queen and her party, so full of wit, an astonishing financier, a bold speculator, and moreover a man accustomed on principle to bribery, remained silent. But the two men soon met again and Walpole remarked:

"I have the very man for France."

"Who is that?"

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"Law."

"But he intends to live in retirement."

"Do not be deceived. He is madder than ever, and thinks of nothing but starting his system again. By flattering him concerning his one idea, I promise to do anything with him. I have written to Sir Luke Schaub, too. The Ambassador has seen His Royal Highness and he seems willing to recall Law if we press the matter a little. Power will be well placed in the hands of a man who can now desire only the good of his native country. I will prepare him for his return. When the right moment arrives he can depart with my brother, Horace. I have so ordered my brother's journey to Paris with him that Law thinks Horace goes with his advice. The letter from Sir Luke Schaub is rather odd. Law still has a great amount of influence with the Duke of Orléans. His Royal Highness was bewitched by him. He misses him. If he could follow his own wishes and inclinations, Law would be back in Paris now. I am certain that Law is not conscious of the charm he has for the Prince. I shall have to enlighten him."

Walpole saw Law again and showed him all the civilities that could be considered reasonable. Finally the inventor was made aware that a definite course of action was being laid before him. The British Government would support him in his project of returning to France on condition that when once he arrived in Paris he would do his utmost to strengthen the alliance.

"With all my heart! I am now altogether a partisan. Lord Cartaret knows that," assented Law.

"That is well," said the Chancellor absent-mindedly, for he detested the Secretary of State.

"Besides that, I have sent His Royal Highness, who has

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greatly praised my last published work, a marvellous project. This is not a matter of bank-notes any longer, but has to do with bank-accounts. The system will have to be thoroughly readjusted."

"Yes, yes," replied Walpole. "But the cardinal is seriously ill and there are many things of great importance to be attended to. The Duke of Orléans must take over the ministry himself. You must write him to that effect."

"Ah! nothing could possibly be better for the system."

"Write at once," commanded Walpole.

"This very day," agreed Law and took his leave.

He seated himself in a wretched old arm-chair in his cramped little room, which was exposed to the full glare of the July heat, and wrote out some advice upon the way to govern, for the use of Louis XIV's nephew. He began well:

Monseigneur.

Certain thoughts have come to my mind in relation to the illness of the Cardinal-Minister, which I believe it my duty to communicate to Your Highness.

In his opinion His Royal Highness should carry on the work if His Eminence were to die. Under the impression that Du Bois would not live for very long, he exhorted the prince to formulate his own plan as from the present time.

He advocated peace. The king possessed the largest and the most fertile country in Europe; his power was recognized by his neighbours; war would enfeeble the kingdom all the more if it were extended.

The true way to aggrandize the country is to make it more valuable and make the king ruler of a prosperous people.

At this point he slipped into his own affairs with a noble lack of self-interest, and his new business as a diplomat. Speak-

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ing about George I he wrote with great simplicity, revealing without shame the whole secret of his mission which if Du Bois died—

His Majesty would not perhaps have quite the same confidence in his successor. And it is this fact which confirms me in my opinion that Your Royal Highness should take up the work. The King of Great Britain and his Ministers are satisfied with the manner in which you consider them and would regard with pleasure Your Royal Highness's desire to take upon Himself the task of acting as a minister. Since I have been in England I have behaved in such a way as to satisfy everyone and I believe that the king and his ministers would not be sorry if I returned to France, if Your Royal Highness were to judge it well for me to do so, for they would be convinced that I would use the favour which I enjoy from Your Royal Highness in order to further the good understanding already existing between the two nations.

And if it happens that Your Royal Highness wishes to put any question to Mr. Walpole privately, I shall be happy to serve him; perhaps also His Royal Highness may have some secret message for the King of Hanover. I can undertake any such commission without bringing any suspicion upon His Royal Highness for it is my intention to make such a journey for the sake of my health as well as for amusement."

This proposed visit to a watering place—for indeed Law's health was not good—raised once more the question of diplomacy. Walpole was really anxious to send Law back to France, but by some indirect route. That was why he had already taken the precaution to write concerning the matter to the German ministers of King George in Hanover.

These fine points of the diplomatic profession were of no

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importance to Law. To reach Paris by setting out from London or from Hanover mattered very little indeed. The main thing was to get there.

From the beginning of August it seemed that events were moving more quickly.

On the tenth of the month at five o'clock in the evening Cardinal du Bois died while still struggling against his doctors, and His Grace the Duke of Orléans—owing no doubt to the earnest persuasions of John Law—assumed the responsibility of office.

His Grace then had the kindness to have the former Controller-General informed that he, the Duke, approved of his conduct and was of the opinion that the system would have been a success, if extraordinary and unprecedented events had not forced him to deviate from his original plan. He acknowledged graciously that he still needed Law's guidance and asked for his opinion on the present condition of the kingdom and he went so far as to declare that he depended upon his abilities and knowledge to help him to bring France to her true value. The Prince added, however, that just at the moment he was afraid to risk his authority and credit by recalling him.

The Duke further stated that he rather hesitated to take a part in setting various highly respected persons to work in making plans in matters of finance. He found such people unsound and unfit, and demanded that Law draw him up a new plan sometime during the winter.

"John," called out the Scotsman, mad with delight, "just read this letter. Ah! this is a prince with judgment. Events of the past have made him cautious. What he really wants is merit. And it is only I who can supply his need. I shall return

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to Paris. I feel secure now. And the next thing is to start the plan."

Law drew up his scheme, sent it to the French Embassy, and awaited the answer. This very soon arrived.

His Grace the Duke of Orléans agreed that the man of genius had disposed of all his doubts and fears, that the scheme could be carried out, and that its success was assured.

Compliments charmed Law, but there was one sentence towards the end of the letter which simply overwhelmed him. The letters of which these few words were composed grew as he looked at them, until they became enormous: the mere sight of them was quite enough to make him die with pleasure. Was it really true? Was it *possible*?

"Mr. Walpole will be much pleased," said John.

But his father cared nothing at that moment for Walpole, for England, or in fact for anything at all, except his precious system.

"Just look. Yes I have read it correctly. . . I am not a fool, *I am looking forward to your return*. . ."

I am looking forward to your return!

"We shall have to think about our passports now."

"I am looking forward to your return!"

"I shall see your mother and your sister again. I shall put my enemies to shame. I shall be back at my bank. Yes, in a few days I shall be in my own office in the Rue Vivienne. Where is that letter? Let me read it again! *"I am looking forward to your return!"*

He was going to write to His Royal Highness and ask for his final commands. But before that he must finish the draft of his plan. The following day he interrupted his work, which he had not been able to complete, in order to write the letter

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which he gave into his son's hands, telling him to be sure and take it at once to the embassy.

Then he wiped his spectacles and placed them on his nose, and went on with his writing. The sheets of paper—as fast as each was dusted with pounce—fluttered down to the floor around him.

“Ah! What a dreadful December day it is! One cannot see any longer. I must light the candles. How dusty things are! And how far had I gone?”

The ideas are of such a nature that the Parliaments will accord their full approbation to them if His Majesty thinks it proper to request it.

“Father!” cried out John hurriedly coming into the room at that moment and looking thoroughly distressed.

“Let me finish this,” answered Law.

“But, Father, listen to what I have to tell you . . .”

“Well? What is it?”

“The Duke of Orléans is dead.”

“Dead? When did he die? Go on and tell me . . .”

“On the 2nd of December, of apoplexy—at Versailles.”

For some little while, Law remained as if he were completely stupefied. Then he dropped his pen: tears rose, and rolled slowly down his cheeks and blended the powder and rouge.

He rose from his chair, and began walking up and down the room in silence, kicking aside, as he did so, the sheets of paper still scattered on the floor.

“He was a Prince held in the highest esteem throughout Europe on account of his great qualities and his remarkable knowledge of the men who worked under his orders,” said Law at last. “Are there any details yet as to how he died?”

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"Very few. He was with Madame de Falari."

"Ah!" Law gave one terrible cry and collapsed into the chair, and as he sank he clutched at the lace round his neck as if he were being suffocated.

John, in great alarm, hastened towards him.

"What is the matter, Father?"

"Nothing."

"Talk to me, Father, as if I were a friend. . . We met her at the house of President Thovenin. Was she your mistress?"

"No. But . . ."

"Oh! tell me . . ."

"It was I who introduced her to the regent in order to take my revenge upon Madame de Parabère for giving me no support on the decree of the 21st of May."

"Do not blame yourself. . . If it had not been Madame de Falari, it would have been some other woman."

"I am a criminal! The sound of those papers on the floor which you are crushing drives me crazy. . . Pick them all up, tear them in pieces, and burn them. I shall never go back to Paris. I have lost everything now that I have lost him. And it is I, poor fool that I am, who have killed him."

"No, No," said John.

"Yes, Yes," replied the inventor peevishly, with tears streaming down his face.

CHAPTER THREE

Towards the end of July 1725 Law went once more to see Walpole and to implore him to give him some sort of employment.

For the last year and a half he and his son had been living upon the money received from the late Duke of Orléans in settlement of his financial projects. But this last supply became exhausted, and the future presented a very dismal outlook to the old man, now out of health, who was seeking, so far in vain, some means of subsistence.

There was nothing more to be got by borrowing, and he had completely given up the hope of rescuing even a part of his property in France.

At one time his affairs seemed to be straightening out, but they became involved once more—thanks to the lawyers and notaries all of whom were adepts in carrying on lawsuits. The former owners of the lands and forests of Briare alone were the authors of twenty-three publications and all these were very costly and wearisome to read. The heirs of the Duchess of Tyrconnel were growing restless. The Duke of Grammont brandished his mortgages. The farmers of Rambouillet refused to pay because the land they held was neither “enclosure” nor “forest-land”. The recovery of rents in the Marquisate of Effiat caused him boundless difficulties. The lord of Seignely insisted on having certain houses of his rebuilt which had been demolished to make room for an exchange, for the exchange had been abandoned.

Meanwhile the Prince de Vendôme and the Marquis of Bully were not idle. Depending upon a decree issued by the Council of State on the 8th of February, 1724, which placed the terrible Tartel at the head of the syndicate, they had called

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a meeting of creditors on the 3rd of March, and with the approval of Castel, the attorney who always remained faithful to Law, they had contrived to gain some advantages for themselves. Henceforth nothing was said about the iron-works at Chaillot, and nothing concerning the contractors for the work to be done at Nevers. The Duchess of Sforza expressed her willingness to give up free of charge, a life-annuity amounting to thirty thousand livres. The Prince de Vendôme, not so generous, agreed to exchange his own life-annuity—worth fifty thousand livres for a payment in cash of two hundred and ten thousand livres: and this was made over to him once for all during the following August.

At this time Law wrote to the Duke of Bourbon who had assumed the leadership of the government upon the death of the Duke of Orléans, and begged him to make some settlement with regard to the accounts, still outstanding in his favour, with France.

He never had the slightest doubt that he would receive a fairly large sum of money from this source. When once this matter was settled, he would promise to make no effort to return to France. It was his idea to settle in England with his wife and children, and his brother and his family. Thus he was to live permanently in retirement. All he still wished to do was to furnish a complete account of everything that had happened under his administration, and to explain the reasons underlying the various operations. He was convinced that everybody who would read this work would do him justice just as His Royal Highness had done—which was as much on account of the soundness of his ideas as upon his lack of self-interest.

Monsieur le Duc, who made several grants of money to the

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unfortunate Catherine, sent an altogether non-committal reply to Law. It was then that, having come to the very end of all his resources, Law applied to Walpole.

Walpole received the defeated inventor with feelings of pity.

This man stubbornly clinging to his chimera, and witty and simple withal, amused the statesman. He was asking for help in his misfortune. Well, what kind of employment did Mr. Law care to take? The fact that he had been converted to Roman Catholicism made it impossible for him to solicit anything of the sort within the British Isles.

Law reminded him that His Majesty's Government had called upon his talents as a diplomatist, and that his first attempt in that direction had been crowned with success, since he had persuaded the Duke of Orléans to take up the leadership of the ministry.

"You wish, then, to be an English secret agent somewhere abroad?" inquired Walpole.

"Yes," answered Law, lowering his eyes.

"Very well: you must apply to Lord Townshend. I will give you an introduction to his Lordship."

On that same day Walpole wrote to his brother-in-law and made clear to him that the credentials were needed less for use than for protection. To put the whole matter plainly, it was a question of giving the Scotsman some small income.

Law made all his arrangements quickly and embarked with his son for Germany on the 5th of August 1725, with orders to go and take the waters at Aix-la-Chapelle where further instructions would be sent him.

Events of great importance were becoming perceptible.

The emperor had made peace with Spain and was with-

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drawing from—and even threatening—the alliance. France and England were doing their utmost in Hanover to win over some of the German princes. Bavaria was one of the states which it was of the first importance to alienate from Austria. Walpole had the foresight to send Law to Munich, at this favourable moment, to plot with that object in view. The Elector of Bavaria could not have forgotten the vast sums of money which he had received from the Controller-General in former days.

The new secret agent spent two months in the petty little town of Aix-la-Chapelle where brilliant entertainments were rare, but which was visited by people of high social standing during the season. In this society Law joined. Every evening he went to the house of the Bougir family. These pleasant people held receptions and gave balls in one beautiful and well-furnished room.

Becoming tired of taking so much rest and astonished, too, at receiving no tidings from Walpole, Law, who had taken his mission seriously, suggested to the minister that he should go to Vienna and there attack the emperor and his ministers in a businesslike way.

For his abilities, recognized as they were throughout Europe, placed him in a position which made it possible for him to point out to His Imperial Majesty, without, of course, rousing any suspicion, the trouble he was getting into with the alliance by upholding the wretched *Compagnie d'Ostende*.

The reply he received from London was not in accordance with his own wishes. He was requested to go to Munich immediately. He started off obediently, went through the quaint old city of Mannheim with its low-built houses, and reached Augsburg on the 5th of December. Here he was delayed for

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three weeks and was much disappointed at receiving no letters from Paris. To pass the time, he went with his son to the Town Hall and admired its very beautiful ceiling and took part in the amusements going on. There were plenty of these at hand in the immense hall of the Three Kings Inn, where they were staying and where the people of rank met in the evenings to gamble, eat their supper at small tables, and dance.

After dinner on the 1st of January 1726, John Law and his son arrived in Munich. On the next day Law presented himself at the palace.

The Elector was ill. He received his visitor in his bedroom, and offered him a chair by his bedside. They began to speak of business matters at once.

He had not forgotten the subsidies which had been paid him in the past—indeed he was hoping for more to come. Equipment for the troops cost a tremendous amount of money, and he was, as a matter of fact, rather short of funds. His State Council refused to burden the people with taxes: the Dutch and the Italian bankers would not listen to him when he asked them for a loan: now what about Great Britain? Could she not give him a little help?

Maximilian Emmanuel, by a glance, invited Law to bring his chair up a little closer.

Would this kindly financier undertake to go over the Bavarian finances and show him the best means of refilling his treasury without delay?

Law, delighted to have another chance of showing off his talents, replied that he was only too anxious to place himself at the prince's disposal.

In exchange, the prince promised as soon as he was well, to show Law the underground passages which secretly connect

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the palace with all the churches and the principal convents in in Munich.

Law had completed his work when, on the 26th of February, Maximilian Emmanuel died. Death seemed to take a malicious pleasure in frustrating his plans.

He tried very hard to win over the son of the late prince: but Charles Albert put his advice aside. He preferred to see to the matter himself. The unlucky Law modestly retired to his lodgings. One day he saw a gleam of hope concerning a possible revival of the system. Count Singendorf, a minister in the service of the emperor, came from Vienna to see him and to talk it over. The flattering remarks and coaxing manners of the count aroused his distrust and he soon perceived that he was a colleague of his own, that is to say, he was a spy. He therefore contented himself with giving him one of his old schemes which would be of no use whatever in a country so out of date concerning matters of finance as Austria was.

If he still spoke eloquently of his system, even to the point of becoming tiresome, it was in a style which tended to become more and more mysterious. The word "secret" very often occurred in his talks. And with a suspicious expression in his eye he solemnly gave people to understand that he would reveal the whole system at length in his memoirs—the preparation of which he constantly postponed from day to day.

In spite of this the Landgrave of Hesse-Cassel also wished in May to try his luck. This worthy fellow was trying to secure some means by which he could pay up his debts without spending his money.

Meanwhile Law went on forwarding his important letters filled with useless information to Walpole. Spring, summer

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and autumn passed and he had received no answer. But, as he regularly received his salary, he at last understood.

His health was poor; he longed for Venice where gaming-tables furnished greater resources than were available in this tame little city of Munich, the climate of which did not suit him. With the near approach of bad weather, he implored the English Minister to give him a fresh commission, and timidly suggested the beautiful republic so dear to him in his youth.

Without delay, the generous Walpole acceded to this last desire.

"Your mother and sister will soon join us," he told John. "My affairs will soon be settled now; I am going to hasten their settlement. We are going to live in happy retirement—and I shall write my memoirs."

When the two men disembarked on the quay it was again carnival time. The festive air of the place cheered him up. His health suddenly improved and his good humour revived. By degrees he became his old self again. It was only his outer covering that had grown old. He no longer kept out of society as he had done the last time he was here.

Mr. Burgess was away, but he saw Monsieur Le Blond, the French consul, again, and he discussed interesting reports with the Count of Gergy, the new ambassador. He called upon his former acquaintances. Now and then he went for an hour or so's chat with Rosalba who had made portraits of his whole family when they were living in Paris. Together they called back these recollections. All that was in 1720! A year before that, Law had given an order to Rosalba's brother-in-law, Antonio Pelligrini, for the ceiling in the hall of the so-called Mississippi Bank. Never would his eyes see it again! Was he enjoying himself here in Venice? Yes, the Venetians

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were charming people and treated gamblers with due respect.

"There are only old men left," he said laughingly, and they whisper as I walk along "this barbarian speaks well, but he has nothing to show for it."

In fact his brain was beginning to seethe once more with ideas of all kinds. He was combining new projects. He wished to restore power to the republic and was indignant that the insolent Government allowed the lagoon to remain shut off as it was without appearing to see the disadvantages which ensued for the Port of Venice. Ships were able to set out only through the canal instead of leaving and arriving, as they used to do in former days, from all directions. The papers he laid before the senate were not even read.

There came a moment when he believed he was going to make his fortune . . .

He had instituted a marvellous lottery by which he was certain to win twenty-five thousand livres each time there was a draw. But he would have to take his project beyond the frontiers of this suspicious State, for the magistrates in his district very promptly prohibited it.

He returned to the gaming-tables. But, as he could now risk only fairly small sums, it often happened that he lost. He pawned the beautiful ring given to him by the English princess, and got it out of pawn again when his luck turned. In this way the benefits gained in his wild youth aided him in his old age!

These various occupations never stopped him from thinking of his personal business affairs. Power in France had passed from the hands of the Duke of Bourbon into those of Cardinal Fleury. Affairs were dragging on as they had before, and the State still refused to approve his accounts. He

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was furious about this, but his fury was in vain. Catherine, too, was taking steps, also in vain, to obtain the interest on the government annuity which had been taken by John in her name in August, 1720, and for which he had paid five million livres.

"Insist on getting it," he wrote, "the contract is valid, and it is mentioned on the certificate that it can never be seized upon or attached for any cause whatsoever, even on behalf of the king."

It sometimes happened that a piece of good news came to him, even in the midst of so many annoyances. In 1727 there was an order given for a road to be made which would pass along a piece of land belonging to him in the Faubourg Saint-Honoré.

"I am at least two hundred thousand livres to the good," he explained to his son.

And thereupon he picked up his three-cornered hat, and took his ring back to the pawn-broker.

As he was returning from one of these troublesome journeys to the money-lender the following year, he saw a stranger at the window of his lodgings, waiting for him and taking the air at the same time. He hurriedly went up the stairs. Who was this handsome old man with bad sight and a narrow face which looked as if it had been pulled along by the nose?

"I am Monsieur le President de Montesquieu," said that gentleman as soon as the formalities were over.

"I know you by name, sir," replied Law in a meaning tone. "For I have read the *Lettres Persanes* including Number CXLII."

The visitor had no time to say one word before the Scotsman had started to recite:

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"In an island situated not far from the Orcades there was born a child whose father was Aeolus, god of the winds, and his mother, a nymph of Caledonia. It is said that he learned unaided to count with his fingers; and that from his fourth year he distinguished metals so well, that his mother having given him a ring of tin in exchange for one of gold, he perceived the deceit and threw it away.

"When he was grown, his father taught him the secret of enclosing the winds in skins and selling them forthwith to all travellers; but as the trade in winds was not very brisk in this country he quitted it and, accompanied by the blind god of chance, he began to travel over the world!"

"To the very last line of your letter you continue to treat me with absolute injustice. One fable, sir, is worth another. I once saw presented in a theatre in Paris, Æsop as a shining example of disinterestedness. His enemies accused him of possessing treasures in a box which he often visited; they found in it, however, only the coat which had belonged to him before he won the favours of a prince. I have been accused of pretending to have treasure; but I have not managed to keep my coat. Just look, for one moment, sir, at this house. There are few, if any, examples of a foreigner who having gained a prince's confidence so completely, and having amassed a fortune by such honest means, has left France without keeping either for himself or his family even so much wealth as he brought into the country originally. I have sacrificed everything to the company—even my children's interests. I love my children tenderly, and they deserve my affection. At the present time they have neither a home nor wealth. I might have let my daughter marry into the leading families of France, Italy, Germany, or England. I would not do this

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because I would not be dependent upon a marriage contract. I would succeed only through the value of my own services. The whole of Europe must by this time be convinced of my honesty of purpose and of the state I now exist in. I don't receive any more offers of marriage on behalf of my children nowadays," he concluded in a voice which sounded both bitter and slightly malicious.

At the end of this speech, which was pronounced with a touch of the dignity he sometimes showed, he was anxious to explain to Montesquieu the actual working of the decree of the 21st of May. He needed no papers; everything was still clear in his memory. He quoted figures, dates, and even exact hours. "Then Mr. Law said . . ." he would go on.

Meanwhile Montesquieu, screwing up his weak eyes, watched in astonishment the mobile face of the man before him, old it is true, but filled with his former eagerness and fire, and thinking of nothing but calculations, new schemes—and shadows.

The two men saw each other several times after this, and talked over the system.

Speaking as a member of the Parliament, the traveller wanted to know why it was that Law had never tried to win over the Parliament at Paris to his side by means of corruption, as Walpole had done in England.

"There is an immense difference between the two bodies of men," rejoined Law. "In England the Parliament makes liberty consist in what it wants done; the French Senate in what must be done. Interest may compel the one to do what it should not do, but it rarely forces the other to do what it does not wish."

Montesquieu considered this opinion and showed some

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surprise. He thought that Law was perhaps an enemy of the Parliament.

"No," said Law, "on the contrary, the Parliament was my enemy. I merely detested the members who brought dishonour upon it."

It was now Law's turn to ask questions.

"How is the Duke of Saint-Simon?"

Montesquieu could give no reply, for he did not know.

It was one of the greatest pleasures of the exile to receive tidings of all those whom he had formerly known, especially of his clerks and his old stock-brokers and dealers.

He questioned all the Frenchmen who passed through the city, and repeated his news to John and thus called up memories of the past.

Fénelon was very rich; André was ruined; Poterat had become a steward to the king and was exceedingly proud of the title; Paumier de Saint-Léger had been fined to the extent of 217,240 livres; Bragousse was not very comfortably off; La Chaumont was still rolling in money; La Mothe had ended by becoming a counterfeit coin maker; Koly, one of his accountants, had gone off to Louisiana; no one had any idea of what had become of Boula. As for Vernezobre he was making a startling sensation in his native country where he had been made a Knight of the Black Eagle.

This last piece of news made Law indignant. The Prussian who gave him this information paid for the other; Law relieved him of a large sum at faro.

"That was quite easy," he said as he told the tale. "These Germans are the most wretched gamblers in Europe."

CHAPTER FOUR

The Carnival of 1729 was nearly over. Many foreigners had already gone away. The Piazzetta now appeared to be empty.

Law particularly noticed this one evening at the beginning of March as he was coming back from the neighbourhood of the Arsenal carrying a picture under his arm. He was still an incorrigible collector in spite of his misfortunes.

As he was passing the little church which stands opposite St. Mark's, on the other side of the square, he heard himself addressed by name. It was a chance acquaintance he had made at the gaming-tables who wanted to tell him about a curious point in a game. Law listened with close attention and then shrugged his shoulders.

"You should have doubled," said Law and thereupon he explained to the unskilled player, standing before a pillar, his legs wide apart, his three-cornered hat pushed back. He drew the figure on the stone with a clever finger, paying no attention to a guide who was at the time pointing him out to a party of travellers.

"You are a wonderful man, Mr. Law," affirmed his friend.

"I simply have a streak of genius."

"Are you coming to play this evening?"

"No," answered Law, "I have a touch of fever and I shall stay indoors."

His son had already gone out when he reached home. He scolded the servant for letting the fire go out.

"That is because there is no wood, sir, and no money to buy any," replied the servant. "And the tailor called again this afternoon."

He would have to go to the gaming-table even though he felt ill.

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"I am not taking any supper. Bring me my grey shoes," he ordered. The man showed him there was a hole in the sole.

"What does that matter so long as my feet look elegant? Call a gondola for me."

He gambled for fire-wood, for the tailor, and for shoes. It was not until two o'clock that he left the house in St. Mark's Square, after having won a very satisfactory amount of money. Was it fever, or was it the heat in this place? His head was burning. He thought that fresh air might do him some good, and so, forgetting all about the holes in his shoes, he walked home through the wet streets. He coughed all through the night.

"It is only a bad cold," he said to John, who was uneasy, the next day.

Law quickly became worse and the doctor was sent for.

News of his illness soon spread over Venice. The French Ambassador came to the sick man's bedside.

The exile understood very well what the visit of the Count of Gergy meant: the ambassador was less concerned with his health than with his famous treasure.

"But there is no treasure," he swore, "and there are no memoirs either!"

He had given up all idea of writing his memoirs, for he could not accuse the highly placed cheats and others, as long as his wife was still living in Paris.

The diplomat reassured in these matters, implored Law to end his days as a devout Catholic should and thus please the Abbé de Tencin.

"I am willing to die as you wish. When everything is lost," said he, "one does not discuss the manner in which it disappears."

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Consequently he was politely willing to receive Father Origo, a Jesuit.

"How suddenly the end comes," he sighed. "Only a fortnight ago I was on the Piazzetta with my picture under my arm, very much pleased at having acquired it. And now I am to die to-morrow without my affairs ever having been put into proper order, and without knowing what property I am leaving for my children. I have made a gift of all that is still owing to me to your mother, John. I have no doubt that some day it will be recognized that my accounts were honest, and a large part of the money will be paid to you."

He then asked for his papers to be brought and put on the bed. He divided these into three packets. In the first packet he arranged everything that was to go to his son, in the second he put the documents which were to be handed to the Count de Gergy, and in the last, intended for Mr. Burgess, he placed all that related to England, and more especially his new commission to the Venetian Senate of which he had never yet availed himself.

On the 21st of March he suddenly guessed that the end was near. He beckoned to his son as if anxious to waste no words.

"I have kept nothing secret. Nothing. You will go to the king at Versailles, and you will implore His Majesty, on behalf of a dead man, to show you justice and generosity. Pro-o-o—"

The French Ambassador, who had remained in the house, stealthily opening the cupboards, tapping on the walls, and carefully seeking the hiding place of the treasure, now came up to the bedside. With one glance he warned John to take no oath which he might be unable to keep. This precaution was

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useless. The dying man was already sinking. The young man and the spy saw him twisting the edge of his night dress between his thin fingers for five minutes: and then his fingers were still.

Law was dead.

Slowly his face, his eyes now closed, assumed the noble and candid expression which had so often been his in life.

Like other sons who have watched the last moments of their fathers, John uttered one cry, his head dropped upon the quilt, and, still speaking to his father, he wept.

Three months after the death of Law, the Council of State issued on the 18th of June, the decree which Law had begged for ever since he left France, and which now declared that he owed nothing whatever to the king or to the *Compagnie des Indes*.

The remainder of the estate was bestowed, a few years later, upon William Law and his children, who were the natural heirs and under the protection of the Duke and Madame of Prie. His gift to Catherine Knollys was not admitted as valid.

There appeared a mysterious person, Garcin Lucy by name, who gave out that he was a citizen of Paris and who was certainly well up in points of Law. Nobody knew anything about his nationality, his social standing or his ways of life. He said that he possessed a deed of gift from the king relative to the inheritance. He made a foul attack upon William Law and upon Rebecca, who on their side instituted against their adversary a private friend called Makenki whose skillfulness had not always won him high praise in the law-courts of France or elsewhere.

Is it possible that Garcin Lucy was acting under the instruc-

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tions of Law's widow who was still struggling against her selfish and envious sister-in-law?

She never revealed the secret.

Early in May 1729 she had quietly escaped from Paris with Marie-Catherine. They went to Utrecht where they joined John who had become a cornet in the Prince of Orange's regiment. The three led a very secluded life in that place.

In 1734, the mother and daughter settled down in Brussels. The young officer had died of smallpox the previous February at Maestricht. A widow named Saint-Paul with whom he had been acquainted in Paris when he was seventeen now eagerly claimed 200,000 livres which he owed her. This demand was harshly refused by the magistrates.

While she was still in mourning for her son at Brussels Mrs. Law received a visit from her nephew, Viscount Wallingford, who was a major in the First Horse-Guards and aged forty-four years. The beauty and gentleness of Marie-Catherine touched his heart. He asked her hand in marriage and they were married on the 4th of July. The Viscount disappeared in 1740: his wife died fifty years later in their beautiful house in Park Street.

In April 1747 there was buried in a cemetery at Liège a poor woman who on this one, last occasion, it was agreed should be called Mrs. Law.

She had in her possession less than four hundred guineas, some rare jewels, a small quantity of plate, several pictures, one letter from Cardinal Fleury, and another from Monsieur le Duc announcing the exile's arrival in imperial territory. This small property had been left to the English Benedictines in Brussels, together with a much treasured col-

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lection of recipes which might well delight cooks, perfumers, and people concerned in a great variety of trades.

Some years earlier she had been visited by Voltaire. This was while she was in Brussels and he was chiefly interested to learn details of the last period of Law's life. We may wonder whether she ever told him about Law's conference in the Capuchin monastery with the Chevalier de Saint Georges and Cardinal Alberoni, who were in Venice during the carnival?

On the 12th of June 1828 there died in Paris a person of great importance. He had been a comrade of Napoleon at Brienne, and later was aide-de-camp to the First Consul. He had brought the ratification of the Peace of Amiens to London. He had been Governor General of Venice. It was he who had resolved on the victory of Wagram. It was he who had been deputed to accompany the Archduchess Marie-Louise of Austria from Vienna to France. He had been Ambassador to Russia. Having gone over to Louis XVIII he had been a captain of the Grey Musketeers, and a minister of state in the cabinets of Richelieu and Villele.

This was Marshal Alexander Law of Lauriston, grandson of William Law, and the great-nephew of Law.

During the time that he spent in Venice, he sought the remains of the great man of the family and had them deposited in the church of San Moïse, where they still are—below a simple white marble slab.

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